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EVALUATION OF UNITED NATIONS SYSTEM RESPONSE IN EAST TIMOR:

COORDINATION AND EFFECTIVENESS

Prepared by

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Joint Inspection Unit

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ACRONYMS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
BCPR	Bureau of Crisis Prevention and Recovery (UNDP)
BOA	Board of Auditors of the United Nations
CAP	United Nations Consolidated Appeal Process
CCA	Common Country Assessment
CEB	United Nations System Chief Executive Board for Coordination
CERF	Central Emergency Revolving Fund
CFET	Consolidated Fund of East Timor
DESA	United Nations Department of Economic and Social Affairs
DPA	United Nations Department of Political Affairs
DPKO	United Nations Department of Peacekeeping Operations
EHA	Department of Emergency and Humanitarian Action (WHO)
EMOP	Emergency Operation
EMOPS	Office of Emergency Programmes (UNICEF)
EP	Emergency Programme (UNICEF)
EPF	Emergency Programme Fund (UNICEF)
ERC	Emergency Relief Coordinator (OCHA)
ERD	Emergency Response Division (UNDP)
ERT	Emergency Response Team (UNHCR)
ESS	Emergency and Security Service (UNHCR)
ETTA	East Timor Transitional Administration
FAO	Food and Agriculture Organization of the United Nations
FC	Finance Committee (FAO)
HC	Humanitarian Coordinator
IASC	Inter-Agency Standing Committee (OCHA)
ICAO	International Civil Aviation Organization
ICRC	International Committee of the Red Cross
IDPs	Internally displaced persons
IFP/CRISIS	InFocus Programme on Crisis Response and Reconstruction (ILO)
IFRC	International Federation of Red Cross and Red Crescent Societies
IHA/DHS	Interim Health Authority/Division of Health Services (UNTAET)
ILO	International Labour Organization
IMTF	Integrated Management Task Force
INTERFET	International Force for East Timor
IOM	International Organization for Migration
IRA	Immediate Response Account (WFP)
JAM	Joint Assessment Mission
JIU	Joint Inspection Unit
MOU	Memorandum of Understanding
NGO	Non-governmental organization
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
OHCHR	Office of the United Nations High Commissioner for Human Rights
OHRM	Office of Human Resources Management (United Nations)
OIOS	Office of Internal Oversight Services of the United Nations Secretariat
SEARO	South-East Asia Regional Office (WHO)
SRSG	Special Representative of the Secretary-General
TC	Technical Cooperation Department (FAO)
TCE	Division for Emergency Operations and Rehabilitation (FAO)
TCEO	Emergency Operations Service (FAO)
TCES	Special Emergency Programmes Services (FAO)
TCO	Field Operations Division (FAO)
TCOR	Special Relief Operations Service (FAO)
TFET	Trust Fund for East Timor
UNAMET	United Nations Mission in East Timor
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
UNTAET	United Nations Transitional Administration in East Timor
UNV	United Nations Volunteers
USG/PKOs	Under-Secretary-General for Peacekeeping Operations
WFP	World Food Programme
WHO	World Health Organization

EXECUTIVE SUMMARY: OBJECTIVE, CONCLUSIONS AND RECOMMENDATIONS

OBJECTIVE: To evaluate the United Nations system response in East Timor, including arrangements, processes and mechanisms applied, so as to highlight lessons from the experience with a view to improving coordination among United Nations organizations and maximizing the impact and effectiveness of their operations in emergency and post-conflict situations.

Emergency response capabilities of United Nations system organizations

A. This report reveals that, at the outbreak of the East Timor crisis, only a few United Nations organizations were properly equipped to respond efficiently to the needs of a major humanitarian crisis. The East Timor case served as a wake-up call and a trigger to most organizations to try to address their weaknesses in this area. However, the organizations' efforts in this regard are not drawing enough on the information and experience about best practices available in the system. More importantly, the organizations' efforts in reforming and enhancing their institutional emergency response capabilities need to be coordinated and integrated to serve and complement the overall system needs, while avoiding duplication of efforts and resources. In this context, each organization needs to identify the type of activities where it can bring the most value added in an emergency situation, and hence focus its efforts on enhancing the emergency capabilities that would back up those activities to ensure the reliability, consistency and credibility of the organization in emergency situations. The Inter-Agency Standing Committee (IASC) is well positioned to oversee this process. (paras. 8 – 44 and footnote 36)

Recommendation 1

The Secretary-General should request the Emergency Relief Coordinator (ERC), as chairman of IASC, to produce a United Nations "Who Does What" manual on emergency situations. To achieve this mandate, IASC should work to identify a clear division of labour in emergency situations among United Nations agencies, funds and programmes, which should be based on the comparative advantage and the value to be added by each organization in such situations. It should also ensure that the division of labour would be commensurate with the emergency capabilities of the organizations to undertake the specific activities assigned to each. In this context, IASC should serve as a forum to exchange and share information about best institutional practices for emergency response available within its members.

Coordination and effectiveness during emergency situations

B. In the case of East Timor, IASC failed to assume adequately its functions related to early warning and contingency planning. Hence, no contingency plans were in place at the outbreak of the crisis despite an early presence of some members of IASC in the territory. Moreover, the calls by the Office for the Coordination of Humanitarian Affairs (OCHA) to formalize the coordination structures before the crisis were not heeded by the rest of IASC members. Part of these deficiencies could be attributed to the limited capacity of many IASC members to undertake contingency assessment and planning in their respective areas of activities. This was also exacerbated in the East Timor case by poor communication and lack of exchange of contingency assessments among the IASC members, especially those who enjoyed early presence on the ground. The Secretary-General recently highlighted the fact that a more effective response to natural disasters and complex humanitarian emergencies requires improved contingency planning and preparedness among the members of IASC and that integration needs to be strengthened to ensure better inter-agency planning.[1] Better communication and networking within and among organization members of IASC is essential to achieve this objective. OCHA should also play a more assertive role in leading this process and in the formulation of such plans (paras. 44-47).

Recommendation 2

The Secretary-General should request the Emergency Relief Coordinator (ERC), as chairman of IASC, to strengthen the IASC functions of early warning and contingency planning. In this context, IASC, through its current Reference Group on Contingency Planning, should consider measures to improve networking and communication among IASC members and ensure a systematic exchange of contingency assessment among its members. Individual organizations should also enhance their own capacities for contingency assessment and

[1] Report of the Secretary-General (A/57/77-E/2002/63 of 14 May 2002) on "Strengthening the coordination of emergency humanitarian assistance of the United Nations".

planning in their respective areas of activities. In this regard, OCHA should give particular attention to enhancing its analytical capacity in order to exercise appropriate leadership in the timely formulation of integrated contingency plans.

C. To remedy the absence of contingency plans and prior formalization of coordination structures, OCHA had to conduct planning in the field and allocate required tasks to leading organizations working through various committees. While this on-the-spot allocation of tasks among the organizations proved successful overall in the case of East Timor, this success was largely due to the expertise of and the leadership exercised by the Humanitarian Coordinator (HC) a.i., as well as the commitment of the agency representatives in the field. It was not based on well-defined systemic division of labour during complex emergencies or reflective of real back-up institutional support and capacities from agencies' Headquarters. Indeed, this on-the-spot task allocation took some agency Headquarters by surprise and created some friction, although rapidly contained, between a few organizations. It also led to delayed responses in some instances (paras. 48-54).

Recommendation 3

The Secretary-General should request the Emergency Relief Coordinator (ERC), as chairman of IASC, to produce a template for coordination structures among the organizations. The template should be guided by the "Who Does What" manual recommended above, and should be activated and formalized during the emergencies.

D. This report corroborates the fact that OCHA's success in East Timor was largely due to a few key staff, who ensured the leadership role of OCHA in the coordinating efforts and earned it the respect of the other humanitarian actors. This underscores the need for OCHA to expand its pool of reliable and trained staff, including at the senior levels. More focus should also be given to empower staff with the coordination skills and services to be provided by OCHA at the field level (paras. 49 and 55).

Recommendation 4

The Secretary-General should explore measures to expand the pool of reliable and trained staff, including at the senior levels, to meet OCHA's needs in large-scale or complex emergencies. This could include arrangements between OCHA and the Office of Human Resources Management (OHRM) to develop a policy of "multi-tier-approach" for staff resources, whereby OCHA can draw on stand-by United Nations staff, including at senior levels, if it needs to go beyond its own staff resources.

The Consolidated Appeal Process (CAP)

E. The East Timor experience confirmed that a well-managed Consolidated Appeal Process can indeed improve coordination and foster better collaboration among United Nations organizations at an early stage of operation, and paves the way for continuous coordination in the post-emergency phase. This requires, though, that the United Nations organizations make more use of CAP as a planning or programming tool (paras. 57-58).

Recommendation 5

The legislative organs of participating organizations may wish to encourage the Executive Heads of their respective organizations to make more use of CAP as a planning and programming tool, and to enhance their organizations' capacities to achieve this, in the framework of the ongoing efforts within IASC to strengthen CAP as a tool for strategic planning and coordination.

F. An important imbalance occurred in funding some sectors through the East Timor CAP. While some organizations met all or most of their funding requirements, others received only part or none of their requirements. This report shows a linkage between the emergency response capabilities of an organization, and the response to its funding requirements in CAP. This linkage appears to be a function of the quality and relevance of the projects submitted by an organization as a part of CAP, and of the overall credibility of the organization in emergency response. Therefore, the report suggests that a genuine effort to address the sectoral gaps within CAP would benefit from the strengthening and reform of the institutional capabilities for emergency response in the United Nations agencies, funds and programmes.

G. The report also underscores that the organizations with a higher level of response to their CAP requirements, are the same organizations that depend the least on CAP as a fund-raising tool. These organizations benefit from an emergency funding mechanism which allows them to initiate their activities swiftly on the ground, thus enhancing their credibility and facilitating their fund mobilization

efforts later to replenish the used funds, through CAP or bilaterally. Therefore, such a mechanism does not only allow swift reaction to emergencies, but can also contribute, in the context of CAP, to address the problem of sectoral gaps, and consequently to facilitate the transition from relief to development (paras. 14, 20, 23, 60-64).

Recommendation 6

The legislative organs of those participating organizations which have not yet done so, may wish to support the establishment of an emergency revolving fund in their respective organizations.

Managing the transition from relief to development

H. The East Timor experience highlighted the need for a United Nations system framework or arrangements to manage the immediate transition from the humanitarian phase to a more sustained development phase. In the case of East Timor, this gap between relief and development was addressed to an extent by the World Bank funding coordination for the rehabilitation and recovery efforts, in consultations with the United Nations Transitional Administration in East Timor (UNTAET) and through several donor conferences. However, the United Nations organizations benefited little from this setting, and their activities suffered during this period. While the United Nations Development Programme (UNDP) would have been a natural candidate to lead this transition, its limited capacity did not allow it to play such a role in East Timor (paras. 9-10, 13, 69-71 and 100-103).

Recommendation 7

The General Assembly and the Economic and Social Council may wish to request the Secretary-General to submit proposals on how to enhance the United Nations system's capacity to manage the immediate transition from relief to development including by: (a) enhancing UNDP capacity to coordinate such a transition, (b) exploring joint arrangements between OCHA and UNDP to ensure a smooth transition, (c) establishing linkages between the CAP, CCA and UNDAF processes, and (d) focusing the arrangements for transition on coordination and planning, rather than on fund-raising.

I. Even in a case as difficult as East Timor, given the level of destruction during the crisis, the collapse and absence of governance structures, and the lack of any reliable baseline data, the United Nations country team managed to embark on a CCA process, which analysed and compared the situations prior to and after the crisis. Later, the United Nations Development Assistance Framework (UNDAF) process was completed and it included a formal annual review clause. This helped to shorten the United Nations system's transition from relief to development and allowed the organizations to initiate their development programmes and activities (paras. 68 and 70-72).

Recommendation 8

The General Assembly and the Economic and Social Council may wish to request the Secretary-General to ensure that the CCA and UNDAF processes are able to reflect as soon as possible the impact of crises so that the United Nations organizations may adjust their development programmes and activities in the country accordingly.

The UNTAET experience

J. The East Timor experience revealed a large number of deficiencies relating to the planning and staffing of UNTAET, which had a bearing on the coordination and effectiveness of United Nations agencies, funds and programmes. In addition to a difficult transition from the Department of Political Affairs (DPA), these included a belated and exclusive planning process from the Department of Peacekeeping Operations (DPKO), which did not allow for adequate inputs from the agencies, funds and programmes or some of the other relevant departments of the United Nations Secretariat. Furthermore, the recruitment process for UNTAET was poorly managed by DPKO, which lacked the capacity and competence to manage such a sudden large-scale recruitment of civilian staff and did not make enough use of the expertise available within the system (paras. 78-79 and 82-89).

K. Most of these deficiencies and shortcomings are widely acknowledged by United Nations management, and actions are being undertaken to address them. Most pertinent among those corrective actions is the application of the Integrated Management Task Force (IMTF) mechanism in conceptualizing and planning the United Nation mission in Afghanistan. Another major action is the ongoing development of a civilian staffing strategy to meet the needs of complex peace operations. These actions are welcomed but need to ensure the involvement of United Nations agencies, funds and programmes. This does not appear to be the case, at

the moment, in the development of the staffing strategy (paras. 80-81 and 90-94).

Recommendation 9

The Secretary-General should undertake an evaluation of the new processes and mechanisms applied in the planning of recently established complex peace operations, such as the United Nations mission in Afghanistan, in order to assess to what extent inputs from United Nations agencies, funds and programmes as well as from various departments of the United Nations Secretariat were integrated.

Recommendation 10

The Secretary-General should ensure that inputs from agencies are properly incorporated in the staffing strategy currently being developed for peace operations.

The experience of the Trust Fund for East Timor (TFET)

L. The experience of the World Bank-administered Trust Fund for East Timor proved disappointing for the United Nations agencies, funds and programmes, as almost none of them got any funding from it for their programmes and activities in East Timor, nor did they manage to provide technical expertise/assistance for the implementation of the TFET-funded projects. Moreover, the fact that TFET attracted the major part of the donors' funding for rehabilitation and development activities made it more difficult for the agencies to mobilize resources outside this mainstream, while being excluded from it (paras. 100-103).

M. Whereas UNDP's belated response to the crisis may have deprived the United Nations agencies, funds and programmes of a potential channel of funding, the views expressed in the course of the preparation of the report by officials of both the World Bank and the United Nations agencies, funds and programmes show an important "perception gap" between parties regarding each others' role, functioning and capabilities. While part of this gap could be rooted in cultural and historical factors that will take a longer time to address as part of the overall ongoing dialogue between the United Nations and the Bretton Woods institutions, the East Timor experience highlighted the need to address some practical issues bearing on the working relationship between both parties in the field. Among those issues is the need to promote a better understanding of each others' procedures, constraints and capabilities with regard to project implementation (paras. 9-10 and 100-108).

Recommendation 11

The Secretary-General, in his capacity as chairman of the United Nations System Chief Executives Board for Coordination (CEB), should explore with the World Bank ways and means to increase opportunities for the involvement of United Nations agencies, funds and programmes in the implementation of Bank-funded/managed projects. This could be achieved, inter alia, by holding joint technical seminars to promote better understanding of the procedures, constraints and capabilities of the World Bank and those of the United Nations organizations in relation to project implementation.

Recommendation 12

The Secretary-General should request UNDP to engage in discussions with the World Bank with a view to developing arrangements to be applied in cases of major emergency situations where the Bank decides to intervene, so as to ensure a role for UNDP in the channelling of funds allocated to finance specific rehabilitation and development activities, especially in sectors where the expertise of the United Nations agencies, funds and programmes should be sought.

INTRODUCTION

1. The Joint Inspection Unit (JIU) decided to include in its programme of work for 2001 a review of a complex United Nations peace operation. Following a preliminary review of the mandate and components of several United Nations peace operations initiated since mid-1999,[2] it was decided to review the United Nations Transitional Administration in East Timor (UNTAET), given the unprecedent scope of authority and responsibility assigned to the United Nations to undertake this complex operation.[3] A JIU mission visited Dili, East Timor, from 29 October to 2 November 2001, during which meetings were held with representatives of UNTAET, the United Nations agencies, funds and programmes, and the World Bank. Conscious of its system-wide mandate and based on the mission's observations, the Unit decided to benefit from the opportunity offered by the East Timor case to examine the United Nations system response through different phases of intervention. At the same time, and as a result of regular consultations and efforts to seek complementarities among United Nations oversight bodies, the Office of Internal Oversight Services (OIOS) conducted a concurrent mission to Dili. Following further consultations between the two bodies, it was decided that OIOS would conduct an evaluation to assess the coordination among of the United Nations Secretariat programmes in East Timor.

2. The East Timor case presented the United Nations system with enormous challenges in emergency and post-emergency situations. The emergency humanitarian operations that started in early September 1999 had to meet the needs of an entire displaced population in some of the harshest conditions. By the end of October 1999, the United Nations was given the most demanding mandate of governing East Timor, a mandate that called for the mobilization of the whole system, and which lasted until the independence of East Timor on 20 May 2002. The report mainly covers this period. It refers to the period before the crisis in East Timor only as far as it had an impact on the coordination and effectiveness of the United Nations system response during the crisis or afterwards.

3. In this context, it is worth noting that the Security Council, in establishing UNTAET, recognized that, in developing and performing its functions under its mandate, UNTAET would need to draw on the expertise and capacity of Member States, United Nations agencies and other international organizations.[4] The Council also encouraged Member States and international agencies and organizations to provide personnel, equipment and other resources to UNTAET as requested by the Secretary-General, including for the building of basic institutions and capacity, and stressed the need for the closest possible coordination of these efforts.[5]

4. Bearing in mind the Security Council mandate, and the effect of institutional capabilities on the initial response and effectiveness of the various United Nations agencies, funds and programmes during the crisis and afterwards, the Inspectors decided to review, as part of this report, the institutional arrangements and capacities for emergency/crisis response of the United Nations agencies, funds and programmes that were in place at the outbreak of the crisis in East Timor and thereafter. This organizational review covered most of the United Nations organizations actively involved in East Timor during the emergency phase or after. In addition to the United Nations, these include: UNDP, WFP, UNHCR, and UNICEF from the United Nations funds and programmes, and WHO, FAO, ILO, and UNESCO from the specialized agencies.[6]

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[2] The preliminary review included the United Nations Interim Administration Mission in Kosovo (UNMIK, established by Security Council resolution 1244 of 10 June 1999), the United Nations Mission in Sierra Leone (UNAMSIL, Security Council resolution 1270, 22 October 1999), the United Nations Transitional Administration in East Timor (UNTAET, Security Council resolution 1272, 25 October 1999), and the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC, Security Council resolution 1279, 30 November 1999).

[3] UNTAET was established by Security Council resolution 1272 of 25 October 1999 and comprised at its inception three main components: a governance and public administration component, a humanitarian assistance and emergency rehabilitation component, and a military component. For more details, see the Secretary-General report S/1999/1024 of 4 October 1999.

[4] Security Council resolution 1272, para. 5

[5] Ibid, para. 14

[6] Apart from these United Nations organizations, only the United Nations Population Fund (UNFPA), the United Nations Office for Project Services (UNOPS) and the International Civil Aviation Organization (ICAO) undertook activities in East Timor. UNFPA supported a number of projects related to the humanitarian operations in East Timor, while UNOPS passed an agreement with UNTAET for the provision of project services. ICAO, following a mission to Dili in January 2000, signed an inter-agency service agreement with the United Nations Department of Peacekeeping Operations (DPKO) for 8 months (from July 2000 to February 2001, at a cost of US$ 71,800), whereby ICAO carried out a review of civil aviation facilities and provided UNTAET with regulatory,

5. Chapter I, therefore, reviews the crisis response capabilities of the United Nations organizations. Chapter II focuses on the review of the United Nations system processes and mechanisms applied in different phases during the case of East Timor and which had a bearing on the coordination and effectiveness of its organizations. Finally, chapter III reviews the funding mechanisms applied in East Timor and their impact on the effectiveness of the United Nations system contributions to the reconstruction and development of East Timor.

6. The United Nations system intervention in East Timor offered a particular experience with a wealth of lessons to be drawn in order to consolidate successes and avoid shortcomings in the future. The report highlights many of the lessons learned from that experience, including arrangements, processes and mechanisms that were applied by the United Nations system. It reviews the actions undertaken by the United Nations organizations to address some of the shortcomings and deficiencies revealed through the East Timor experience and recommends measures to address those deficiencies or improve the actions being undertaken. While the report could only take into account developments up to the middle of 2002, it is recognized that the issues it addresses are not static but rather part of a dynamic process, and that the response by the United Nations system to the shortcomings identified here is also constantly evolving. Similarly, while the report focuses mainly on a number of coordination mechanisms and processes within the system, such as OCHA, IASC, CAP and CCA/UNDAF, it is recognized that other mechanisms, including the Executive Committee on Peace and Security, the United Nations Development Group, the Executive Committee for Humanitarian Affairs and the CEB itself, have a bearing on the issues discussed. However, a detailed study of how their work and outputs could be harnessed to the benefit of the system as a whole would merit separate consideration.

7. In the course of the preparation of the report, the Inspectors met, in the field and at Headquarters, with many officials from the United Nations agencies, funds and programmes as well as the World Bank. They also reviewed a large number of documents, including many independent studies and evaluations, commissioned by various organizations and departments, and reports by the Secretary-General. The Inspectors wish to express their gratitude to all those who assisted them so willingly in the preparation of this report. They also wish to applaud the contributions made by the United Nations organizations to the stability, reconstruction and development efforts in East Timor, efforts that culminated in its admission to membership in the United Nations on 27 September 2002 as the Democratic Republic of Timor-Leste (A/RES/57/3).

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managerial and operational assistance in the oversight of civil aviation.

I. RESPONDING TO THE EAST TIMOR CRISIS: EMERGENCY RESPONSE CAPABILITIES OF THE UNITED NATIONS SYSTEM ORGANIZATIONS

8. The review, based on interviews with the relevant officials and documented information made available to the Inspectors, revealed a wide range of structures, mechanisms and resources, which largely determined the nature and extent of each organization's response and activities in East Timor.

A. United Nations funds and programmes

United Nations Development Programme (UNDP)

9. During the East Timor crisis, UNDP relied on its Emergency Response Division (ERD). However, ERD lacked the capacity to dispatch assessment teams fast enough to provide UNDP with an edge in immediate crisis management and later, including through better planning, to link the humanitarian and development phases. The division of labour and the demarcation of responsibilities between ERD and the regional bureau at Headquarters, as well as the reporting and communication channels between ERD teams dispatched to the field and Headquarters were poorly defined. ERD lacked the stature and authority to position UNDP strategically as the main funding mechanism/channel for United Nations system activities in the post-conflict situations, or to coordinate UNDP responses internally. Moreover, no roster of experts existed in UNDP when the crisis erupted, and the UNDP funding mechanisms in place (the TRACK mechanisms) were not adapted to deal with the East Timor crisis (ERD could only provide up to US$ 100,000 from TRACK III to UNDP country offices in crisis situations).

10. As a consequence, confusion prevailed in the early months of operations, as questions were raised on whether UNDP East Timor activities were run under the aegis of the Regional Bureau for Asia and the Pacific, or ERD. The ERD team dispatched to Dili reported directly to Headquarters without going through the assigned resident coordinator in the field, creating more confusion. This was exacerbated by the fact that no internal task force was established to manage the crisis, leading to slower responses by UNDP. By the time these issues were clarified and dealt with internally, UNDP was far behind and effectively sidestepped by the donors as a potential funding mechanism/channel for the United Nations system activities in East Timor.

11. Despite these shortcomings at the eruption and during the early months of the crisis, and as the humanitarian emergency decreased in East Timor, UNDP was largely successful in assuming its development coordination role and supporting rehabilitation and development activities in East Timor. UNDP managed to make US$ 9 million available for East Timor over a period of three years from its core resources, which allowed it to deploy a small staff to support the office it established in Dili in November 1999. It focused its activities on three key areas: rehabilitation of infrastructure (coordination, resource mobilization and project implementation); governance (support to UNTAET in preparing the country for independence, public administration; judiciary; civil society building; electoral assistance); promotion of sustainable livelihoods (complementing ongoing and planned initiatives by other organizations and donors). In addition, its Resident Representative and United Nations Resident Coordinator (UNRC) led the launching and coordination of the UNDAF process in early 2000, resulting in the publication of the first Common Country Assessment (CCA) for East Timor in November 2000, and the preparation thereafter of the first United Nations Development Assistance Framework (UNDAF) for East Timor covering the period 2003-2005. UNDP mobilization efforts resulted in an extra US$ 45 million made available from other sources for East Timor projects and activities.

12. Based on the East Timor experience, UNDP undertook some steps to address some of the weaknesses and shortcomings raised above. ERD was upgraded in November 2001 to the Bureau of Crisis Prevention and Recovery (BCPR) headed by a director at the Assistant-Secretary-General level.[7] According to the UNDP officials interviewed in April 2002, the Bureau was still in the process of recruiting staff in Rome, Geneva, and New York who will work in teams. These will be dispatched at the request of the UNDP Resident Representative or the country concerned to formulate programmes/projects related to previously defined themes (service lines) within the mandate of the Bureau (these include: conflict prevention and peace-building; transition recovery programme; security sector reform and rule of law; small arms reduction; mine action; disarmament, demobilization and reintegration; and natural disaster reduction and recovery).[8] A roster of experts is also in the process of being established by BCPR.

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[7] See DP/2002/CRP.3

[8] See UNDP/ERD publication entitled "Thematic Trust Fund for Crisis Prevention and Recovery"

13. It should be noted, though, that while the newly established BCPR could indeed enhance UNDP's role and capacity to respond to crisis prevention needs and recovery issues, it is not clear how the Bureau would address UNDP's shortcomings in responding rapidly during an active or newly erupted crisis, positioning itself strategically as a main funding/channel mechanism by the donors for system activities in post-conflict situations, or assuming the required coordinating role for the United Nations system organizations during the transition from relief to development (see para. 69 below).

United Nations Children's Fund (UNICEF)

14. The UNICEF Office of Emergency Programmes (EMOPS) in New York and Geneva is the institutional focal point for emergency assistance, humanitarian policies, staff security and support to UNICEF offices in the field during crisis situations, as well as strategic coordination with external humanitarian partners both within and outside the United Nations system. Funding of UNICEF's humanitarian action has shown a strong upward trend for several years increasing from US$ 254 million in 1997 to US$ 425 million by 2001, and accounting for more than 20 per cent of UNICEF's overall income.[9] UNICEF has signed several umbrella agreements for collaboration with organizations active in the humanitarian and emergency field, within and outside the United Nations system, including some national agencies.[10] It has also been working to improve its supply mechanisms, including by introducing more flexibility in those mechanisms and in the financial system supporting the supply process.[11] UNICEF Emergency Programme (EP) is empowered by a biennium US$ 25 million Emergency Programme Fund (EPF), which ensures effective and timely response to emergency situations.[12] In addition, UNICEF is an active borrower from the Central Emergency Revolving Fund (CERF) managed by OCHA.[13]

15. The overall institutional awareness and process to strengthen UNICEF humanitarian action helped it to respond expeditiously to the crisis in East Timor, including by mobilizing and sending staff from its various offices in the region to support the interventions in East Timor (UNICEF had no roster of potential candidates for emergency deployments). However, UNICEF benefited above all from the presence of its operations in East Timor since 1979. It has carried projects since then and in October 1999 established an office of 36 posts (50% of them for international staff) and was lead by a special representative in East Timor. During the crisis, it established a temporary presence in Darwin in preparation to its coming back to Dili. This pre-crisis presence and capacity allowed it to play the role of the leading agency in several sectors during the emergency phase and to continue to be engaged actively afterwards in health (immunization and basic health services), education (rebuilding schools and basic repairs, as well as training of teachers), water supply and sanitation (physical and technical assistance), leadership training of local government and community leaders, and the promotion of children's rights (legal support and training).

16. Based on East Timor and other crisis situation experiences, UNICEF is currently involved in a capacity building programme for its staff, whereby focal points are deployed to train regional and field staff on crisis responses and management and to formulate contingency plans as part of the country programmes.[14] It is also developing and implementing a web-based roster of potential candidates for rapid deployment to emergency situations.[15] It transferred the deputy director post of EP to Geneva to enhance coordination with other humanitarian agencies, and is reviewing existing MOUs with other humanitarian partners to confirm

[9] UNICEF Humanitarian Action Report 2002.

[10] For instance, a UNICEF/UNHCR Memorandum of Understanding (MOU) was signed in March 1996, and a UNICEF/WFP MOU was signed in February 1998. For more information and other umbrella agreements, see "An Overview of UNICEF's Humanitarian Mandate and Activities", March 2001, at UNICEF's web site, www.unicef.org.

[11] For example, UNICEF country offices are able to purchase up to US$ 50,000 of commodities without prior approval, subject to quality control. For more information see op. cit., footnote 9 above.

[12] In 2001 UNICEF advanced more than US$ 8 million from its EPF to support 17 countries in Africa (op. cit., footnote 9 above).

[13] CERF was established in accordance with General Assembly resolution 46/182 of 19 December 1991. Advances from the Fund are subject to replenishment with voluntary contributions from donors. In 2001 UNICEF benefited from loans valued more than US$ 20 million through CERF (op. cit., footnote 9 above). As of the first quarter of 2001, UNICEF received a total of US$ 63.4 million as advances from CERF since its inception in 1992, over 80 per cent of which were reimbursed with supplementary funds received against the UNICEF component of the United Nations Interagency Consolidated Appeals (op. cit., footnote 10 above).

[14] As of early 2001, UNICEF had a direct presence in some 55–60 countries (the number is constantly shifting) designated as acutely unstable or with pockets of instability and emergencies. See op. cit., footnote 10 above.

[15] See footnote 9 above.

areas of complementarity and ensure greater clarity of roles and expectation.

17. Given UNICEF's roles in development and in the humanitarian and emergency areas, the organization faces a continuous challenge to corroborate its reliability and predictability as a humanitarian partner and ensure consistency, complementarity and balance in its sectoral interventions during emergencies.

United Nations High Commissioner for Refugees (UNHCR)

18. Given its mandate and the particular nature of its activities, effective emergency preparedness and response has been a major priority of UNHCR, especially since 1991. Its capacity has been strengthened considerably in the three key areas of human, material and financial resources making its institutional arrangements (together with those of the World Food Programme (WFP)as referred to below) among the best practices available in this field for the United Nations system organizations in general, and in the area of preparing and deploying emergency staff in particular.[16]

19. In this context, and as part of its internal stand-by-arrangements, UNHCR has an Emergency Response Team (ERT) roster comprising a pool of internal staff members from different functional areas (about 25 members), drawn from the field and Headquarters with formal prior approval of their supervisors, ready for emergency deployment within 72 hours. The roster is valid for 6-9 months according to each member's commitment, and ERTs are subject to special training shortly before their term on the roster. UNHCR benefits also from a Senior Emergency Pool comprising carefully selected and experienced senior managers (P5-D2) to provide proper leadership and efficient management of its field operations during a crisis situation. A revolving central emergency stockpile provides urgently needed material at the outset of an emergency for the initial needs of 250,000 refugees. These internal stand-by-arrangements provide a core qualified staff and material for UNHCR at the outset of an emergency and during its critical early months, and are supplemented and supported by external-stand-by arrangements concluded between UNHCR and other humanitarian partners (including NGOs and relevant government agencies) providing a second tier of resources to UNHCR operations.

20. On the financial side, UNHCR emergency operations are backed by an operational reserve at an amount equivalent to 10 per cent of the proposed programme activities in the annual programme budget, and maintained at not less than US$ 10 million (by replenishment from the Working Capital and Guarantee Fund), which allows quick and effective disbursements of funds through clearly defined authority and funding tiers. UNHCR also resorts to CERF to complement its emergency response funding according to well-defined internal procedures. In addition, UNHCR benefits from a clear internal demarcation of responsibilities and reporting channels from the field to the relevant desk in the regional bureau, backed by an Emergency and Security Service (ESS) which sets standards and provides needed support to the regional bureaus in their management of a crisis.

21. UNHCR internal mechanisms and arrangements proved effective during the crisis in East Timor, and allowed the agency to adapt relatively quickly to the unexpectedly high number of refugees and displaced persons during the crisis (around 290,000 while initial UNHCR anticipation was for 80,000 to 90,000 persons). It also allowed it to fulfil, in addition to its original mandate related to the protection of refugees, the function of providing shelter to the population in East Timor, which was assigned to it at the field by OCHA, and to apply its own logistical means to meet its needs and complement the main logistical role entrusted to WFP. It should be mentioned, though, that UNHCR also benefited from a relatively earlier presence in East Timor as it was invited by the United Nations Mission in East Timor (UNAMET) to deal with the internally displaced persons (IDPs) in April 1999.[17] This presence prior to the eruption of the crisis, though limited (3 international staff and 5 locals), allowed UNHCR to anticipate the crisis (if not accurately) and to act swiftly at its eruption (for instance, UNHCR procured on an emergency basis 20 vehicles from Darwin, Australia, at the end of August – just before the crisis outbreak- which proved most valuable to its operations and in supporting other humanitarian partners later during the crisis).

World Food Programme (WFP)

22. In the 1980s, WFP experienced a shift in the focus of its activities from development to relief activities. A set of institutional arrangements was put in place gradually to support this shift. Taking into account the special nature of its activities, this set of

[16] For more detailed information about UNHCR emergency response, see UNHCR "Catalogue of Emergency Response Resources", February 2002

[17] UNAMET was established by SCR 1246 of 11 June 1999 to organize and conduct the Popular Consultation agreed upon in early May 1999 between Portugal and Indonesia.

arrangements is largely similar to that of UNHCR, covering basically the key areas of human, material and financial resources. It highlights, therefore, the set of best practices in this field for the United Nations organizations, in particular in resorting to development staff trained to respond to emergency situations.

23. More precisely, WFP's capacity for emergency response includes: a roster for emergency operations that allows it to deploy staff at short notice; an efficient field capacity network that depends on development staff ready to be deployed during emergency situations and for crisis management. Training courses and materials are provided for the staff, including recent simulation courses conducted in cooperation with some governments. A network around the world of "revolving" food stocks provides for urgently needed food at the outset of a crisis. Financially, a revolving fund established in December 1991, the "Immediate Response Account" (IRA), of US$ 30 to 50 million helps finance immediately the WFP operations at least for the first month of an emergency/crisis situation while funds arrive through CAP or other voluntary contributions. These arrangements are fostered by relatively flexible rules and regulations that authorize, for instance, the country Directors to disburse up to US$ 200,000 from IRA to meet the urgent needs of a local emergency situation, or to divert food ships from one place to another, and are complemented by other measures like stand-by-arrangements with some countries for the provision of staff in specific technical areas, and contingency planning in coordination with other agencies where necessary (MOUs are signed with agencies like UNHCR, UNICEF, and the implementing NGOs, and specify the roles and responsibilities of WFP and the other actors involved with it in an operation).

24. This institutional capacity and arrangements allowed WFP to play a particularly important role during the emergency phase in East Timor. WFP successfully mounted two emergency operations (EMOPs) to provide and distribute food to the population. The first EMOP started on 15 September 1999, as an immediate response to food aid needs, and enabled to assist 150,000 beneficiaries located in the worst affected areas. The second EMOP was a sequel to the immediate response and covered almost 300,000 people. In addition, WFP was requested by the United Nations Humanitarian Coordinator a.i. to establish, as a food and logistic coordinator, a logistics network for all humanitarian agencies. Responding to this request, WFP launched a special operation (completed in June 2001) to support and strengthen the logistic capacity of the humanitarian community in East Timor. This special funding for logistical support enabled WFP to mobilize helicopters, aircraft, cargo vessels and trucks so as to form the backbone of humanitarian transport in East Timor. It also provided transport assistance to UNTAET, other United Nations agencies and NGOs (such logistical support was provided on a cost-recovery basis). WFP developed an exit strategy in view of the evolution of the food security situation, through which it decided to withdraw from all operation in East Timor by June 2002.

25. An internal evaluation of WFP's emergency operations in East Timor, conducted in 2001, concluded that the fund's operations in East Timor were successful overall, characterized by the commitment and energy of its staff (WFP managed to deploy two staff members in Dili on 20 September 1999, the second day of the deployment of the International Force for East Timor (INTERFET), and supported them later by additional staff). It found that, although WFP was not well prepared, its reaction time was short, especially considering that it started from a "zero base" with no pre-existing field office or presence in East Timor. The evaluation, though, highlighted the fact that WFP did not have an adequate contingency plan for the crisis that unfolded in East Timor and that greater preparation is required to establish the capacity to mount an EMOP in countries or territories in which the Programme has no office and little or no presence. It recommended, among others, that WFP should strengthen its capacity at the regional level to undertake contingency assessment and planning.[18] Building on the lessons learned from the East Timor crisis and other major emergencies, WFP embarked since 2001 on an effort to review and enhance its capacity to systematically undertake contingency planning activities at the Country Office and Regional level. Contingency planning guidelines were developed and an internal capacity-building effort was launched comprising training, technical assistance and strategic dimensions.

B. United Nations specialized agencies

Food and Agriculture Organization (FAO)

26. During the East Timor crisis, emergency response was handled by the FAO Special Relief Operations Service (TCOR), a small unit in the Field Operations Division (TCO) of the Technical Cooperation Department (TC). At that time, TCOR was staffed with a few regular staff members, of which the Chief and a senior operations officer were directly

[18] For more details, see WFP/EB.3/2001/6/5 of 3 September 2001.

concerned with the East Timor operations. Whereas the bulk of TCOR's emergency activities were funded by extra-budgetary resources, funding is also received through FAO's regular programme. However, regular programme funds could not be allocated for East Timor as it was not a Member Country of the Organization at that time and no emergency funding was earmarked to respond to such a crisis situation (the funding problem through regular programme funds faced all United Nations organizations involved in East Timor, but its impact was most acute in the organizations where no emergency fund was in place). FAO's emergency activities are handled at Headquarters and backstopped, in principle, by FAO technical services at Headquarters and the regional offices. In the case of East Timor, however, the lack of contingency arrangements between FAO Headquarters and its regional offices resulted in a belated support to FAO's emergency response and activities in East Timor and delayed the formulation of an exit strategy.

27. FAO responded to the crisis in East Timor by dispatching in September 1999 its senior operations officer from TCOR to join the inter-agency emergency response team and undertake a preliminary assessment of the situation in the agricultural, livestock and fisheries sector and to estimate the most urgent rehabilitation needs. This was followed in the same month by the fielding of an emergency coordinator, funded at this initial stage by TCOR's own budget. In response to the CAP for East Timor, FAO received funding which enabled TCOR to maintain the presence of the emergency coordinator who was responsible for coordinating FAO's relief and rehabilitation interventions in the agriculture sector in collaboration with other United Nations agencies and NGOs. He also chaired the Committee on Agriculture consisting of NGOs and other United Nations agencies involved in food security issues. In April 2000, as part of another response to the CAP for East Timor, FAO received funding for a seed multiplication project (April 2000-March 2001), followed later by a second phase focusing on the reduction of post harvest losses.[19]

28. It was only though in March 2001 that FAO consolidated its presence in East Timor by fielding a senior agricultural advisor through its Regional Office for Asia and the Pacific (RAP). As part of his activities in East Timor, the FAO technical advisor represented FAO in various meetings; established contacts and collaboration with UNTAET (ETTA), UNDP and other concerned agencies; coordinated FAO's longer-term rehabilitation and development programmes/projects; and reviewed the agricultural situation in general, including the potentials and priority areas for FAO's technical assistance.

29. To improve FAO's emergency response and enhance its capacity to bridge the gap between emergency relief and rehabilitation, the Director-General of FAO submitted a proposal in September 2001 to the FAO Finance Committee to convert TCOR into a new Division for Emergency Operations and Rehabilitation (TCE). The proposal, which called for no additional resources from the FAO Regular Programme, was approved by the Finance Committee and endorsed later by the FAO Council in November 2001.[20] TCE consists of two services, the Special Emergency Programmes Services (TCES) dealing exclusively with special programmes, including the "Oil for Food" Programme in Iraq, and the Emergency Operations Service (TCEO) dealing with emergency operations, and a Rehabilitation and Humanitarian Policies Unit to be responsible for developing such policies.[21] To address the issue of urgent fund mobilization while waiting for donor response, FAO's officials mentioned that the Organization is preparing for the establishment of an emergency and rehabilitation response fund to ensure quick access to funds at the start-up of emergency operations and during the transitional phase linking relief to rehabilitation.

World Health Organization (WHO)

30. The Department of Emergency and Humanitarian Action (EHA) is responsible for emergency and crisis responses within WHO. The department has been under restructuring for some time, including during the East Timor crisis, and a final organization chart was still not available at the time of the drafting of this report. However, a 2001 "ad-hoc" organization

[19] In response to the CAP for East Timor (October 1999-June 2000), FAO received the following funding: OSRO/ETM/001/SWE "Coordination of emergency agriculture interventions in East Timor" for a total of US$ 284,575 (January 2000-December 2000); and OSRO/ETM/002/JPN Phase I "Urgent maize and rice seed multiplication at rural community level in East Timor" for a total of US$ 465,000 (April 2000-March 2001). A second phase to this project ("Reduction of post-harvest losses") was funded for an additional US$ 346,331. Funding for this second phase was received in June 2001, beyond the implementation timeframe of the CAP for East Timor.

[20] See FC 97/INF/3 and CL 121/4 of September 2001. In submitting his proposal, the Director-General emphasized that the emergency programme has become the most important in FAO.

[21] TCE budget in 2001 was US$ 3.7 million (almost the same as in 1998-1999), with only US$ 115,000 from the Regular Programme. Its delivery projects in 2001 amounted to US$ 124 million under the Iraq "Oil for Food" programme and US$ 54 million for other emergency operations.

chart revealed that more than 80 per cent of the 40 or so posts within the department are funded from extra-budgetary resources. The department also depends mainly on extra-budgetary funds for its operations, but no revolving fund exists for immediate emergency responses. In addition, WHO financial rules and regulations do not provide flexibility for quick disbursements of funds much needed to respond to practical operational purposes in crisis situations. Hence, for instance, WHO staff in East Timor faced enormous difficulties getting urgently needed funds for transportation on the ground, decent shelter, or even paying for WHO's contribution to the United Nations House in Dili. Moreover, there is no clear demarcation of roles and responsibilities between Headquarters and the regional and field offices for crisis management and response. Indeed, an independent review of WHO's emergency response in East Timor found that, within WHO, differences in understanding exist across the organization regarding response roles and responsibilities, and this impacted upon coordination, communication, and relationships, both within the agency and with other key actors.[22]

31. Notwithstanding the institutional context mentioned above, WHO was able to react fast to the crisis in East Timor due largely to a political commitment at the highest level of the organization. A Special Representative of the Director-General was rapidly deployed to Dili and funding was made available from the Director General Fund, and from the South-East Asia Regional Office (SEARO) in New Delhi and Headquarters regular budget savings. WHO staff were deployed from Headquarters, SEARO and WHO country office in Indonesia and were supported by short-term professionals (STPs).

32. Some staff arrived in Dili two days after the deployment of INTERFET and took several initiatives considered crucial including: the establishment of a disease surveillance system, the provision of technical advise for malaria and tuberculosis control, coordination of health agencies, including through co-chairing with UNICEF the coordination meetings for the health sector activities, and participation in the United Nations CAP.[23] In addition to the secondment by WHO/Headquarters of a senior staff member to the Interim Health Authority/Division of Health Services (IHA/DHS) in UNTAET, WHO Dili Office continued to chair in the post-emergency phase several technical coordination groups and to co-chair a field-based inter-agency working group for health, and to provide technical support to IHA/DHS, including through various consultancy missions and the provision of human resources development support.[24]

33. As suggested by the WHO evaluation, there is little evidence that WHO had forecast the events and had made the necessary preparations for early presence in East Timor. While WHO's response to the crisis was overall satisfactory, its success was more a factor of individual commitment (including at the highest level), flexibility and improvisation than of the organization's disaster preparedness, strategic planning and logistical arrangements.

34. A good practice by WHO, though, for sectoral coordination during emergencies at Headquarters level is the Inter-Agency Medical/Health Task Force for East Timor convened at WHO Headquarters during October and November 1999, with the participation of representatives of the Geneva-based agencies that had an interest in health implementation.[25] During this period, the task force met, in principle, on a weekly basis. It served as an informal forum for information exchange and discussions and helped to provide guidance on the best practices and measures to deal with technical and operational problems at the field level.[26]

International Labour Organization (ILO)

35. The ILO crisis unit was established, with one regular staff member, in September 1999 (with the break-out of the East Timor crisis), as part of the "InFocus Programme on Crisis Response and Reconstruction" (IFP/CRISIS) in the Employment Recovery and Reconstruction Department (before the establishment of the Unit, ILO usually offered its technical inputs in crisis situations in close partnership with UNDP or bilateral donors). In October 1999, and within 48 hours, its member was called to participate in the needs assessment mission to East Timor and to formulate the ILO CAP requirement. The unit identifies priorities for each crisis, and in the case of East Timor employment generation, emergency employment services, short-term vocational training and labour-based infrastructure rehabilitation were among the priorities

[22] See "Review of WHO's Emergency Response in East Timor" by Thomas van der Heijden and Kerry Thomas, May 2001.

[23] See ibid for more information in this regard.

[24] WHO provided, for instance, scholarships to 10 medical students to enable them to complete their studies.

[25] In addition to WHO, the task force included representatives from: UNICEF, UNHCR, WFP, UNFPA, IOM, ICRC and IFRC. An NGO representative participated in some of its meetings as well.

[26] For more information, see the report of the Inter-Agency Medical/Health Task Force on the Humanitarian Crisis in East Timor (October – November 1999), WHO

identified to address immediate employment demands.

36. ILO faced difficulties in mobilizing funds for its proposed activities in East Timor and could only manage to have one senior vocational training specialist assigned to East Timor in November 1999. This limited capacity and presence made it difficult for ILO to influence in a timely manner the policy and institution settings in the labour and employment sector. It was only in early 2002 that a single employment specialist was approved by UNTAET for secondment by ILO. The situation also improved since then with the launching of a project on "Strengthening and improving labour relations in East Timor" (SIMPLAR) followed by ILO personnel in East Timor. These personnel, backed by ILO specialists and consultants, also provided inputs for the development of a draft labour code and supported a skills development for employability programme in East Timor.

37. Since its establishment, though, the ILO IFP/CRISIS has strengthened its staff capacity (seven professional regular staff by the end of 2001) and made considerable efforts and progress. This has been reflected in its ability to mobilize US$ 10 million of external funding for its operations by December 2001,[27] and to develop a Focal Point Network with ILO field offices in order to enhance field-headquarters cooperation in crisis management and responses, as well as an exit strategy whereby it phases out its active involvement in a crisis country after one year, leaving the field structure concerned with the main responsibility of backstopping its activities in the country.

38. However, the programme continues to face a number of challenges, largely identified in a report it prepared in January 2002.[28] Among those challenges is the need for immediate availability of funds to initiate country-level programmes in crisis situations. While US$ 500,000 of the regular budget were allocated in the biennium 2000-2001 to activate the programme's "Rapid Action Fund", this amount was fully utilized by mid-March 2001, leaving the programme to operate with no regular funds for nine months. The programme also highlighted the need to mainstream crisis-awareness in normal ILO programmes and activities and to review field structures in order to enable them to participate actively in emergency efforts, including IFP/CRISIS resource mobilization efforts, as well as the need for ILO to adopt special rapid administrative systems and procedures for approving actions and resources in emergency responses.

United Nations Educational, Scientific and Cultural Organization (UNESCO)

39. In March 2001, the UNESCO Director-General entrusted the External Relations and Cooperation Sector, together with the Africa Department, with the task of coordinating UNESCO responses to emergency and crisis situations.[29] Since then, this has been usually done through intersectoral task forces within UNESCO (currently for Afghanistan and the Middle East) comprising focal points representing the various UNESCO sectors.[30] Before this, however, a proliferation of units and focal points within the headquarters, and a poor division of labor and demarcation of responsibilities within the Headquarters at one hand, and between Headquarters and the regional and field offices on the other, impacted negatively on UNESCO responses for emergency and crisis situations, and hampered its active participation in the rehabilitation and reconstruction activities in post conflict situations. This was particularly salient in UNESCO response to the crisis in East Timor.

40. While UNESCO managed to dispatch several technical missions during the early months of the crisis, including for instance a mission to investigate media and communication needs in November 1999, followed by other consultants missions on culture, education or communication, such missions lacked coordination from Headquarters. The proposed potential projects and activities identified through the missions lacked follow-up and back up from Headquarters and most of them were not implemented by UNESCO.[31] The first UNESCO intersectoral mission to East Timor took place only in February 2000 and was led by the Director of UNESCO/Jakarta whose Office was explicitly given

[27] See "The First Two Years of Implementation (September 1999-December 2001)", ILO InFocus Programme on Crisis Response and Reconstruction, Geneva, January 2002

[28] Ibid.

[29] UNESCO internal memorandum DG/Memo/01/04 of 7 March 2001

[30] These include: Education (ED); Science (SC); Social Science and Humanities (SHS); Culture (CLT); and Communication and Information (CI).

[31] For instance the emergency educational assistance unit within the UNESCO educational sector identified in December 1999 several areas where UNESCO could provide specific assistance to meet short-term educational emergency requirements and other medium and longer-term needs. Other projects were proposed by the communication and information sector including projects on media legislation, a printing consortium project and some important radio-television projects. None of these projects were implemented by UNESCO.

the mandate from Headquarters to coordinate UNESCO activities and sectors in East Timor shortly before the mission. A Task Force on East Timor was running in parallel at Headquarters. Jakarta reported to it, but received no assistance or useful guidance. The mandate given to UNESCO/Jakarta was not backed by any financial or administrative support from Headquarters, whose Task Force did not appear to work with any sense of urgency. In addition, the communication sector activities and projects remained outside the scope of responsibility of the Jakarta office, and were being followed by UNESCO regional communication advisor for the Pacific backed directly by the communication sector at Headquarters. Moreover, UNESCO failed to mobilize any internal or external resources to secure a field presence in East Timor, which has been a serious handicap for its operations there, including for the coordination with the main and active actors on the ground. UNESCO provided early support to a few projects in East Timor, including its support to a cultural restoration project in Dili for which an agreement was signed with UNTAET and the World Bank in 2001 (although planning and preparatory work had commenced with a series of missions from January 2000),[32] as well as to a community radio project and a professional journalism project.[33]

41. UNESCO's response to the crisis in East Timor and to the post-emergency needs was unsatisfactory and revealed important institutional deficiencies within the organization. The decision taken by the Director-General in March 2001 marks an improvement on which UNESCO should continue to build. In this endeavor, UNESCO needs to draw more on the experiences and best practices within the United Nations system and to seek more integration of its efforts within the system.

Lessons learned

42. The review of the institutional crisis-response capabilities of the United Nations agencies, funds and programmes reveals that at the outbreak of the East Timor crisis, only a few of the United Nations funds (UNHCR, WFP and to a certain degree UNICEF) were institutionally properly equipped to respond efficiently to the needs of a major humanitarian emergency. Personal commitment of staff, backed by political commitment from Headquarters, helped in some cases to cover for these institutional weaknesses. The East Timor case served as a "wake-up call" and a trigger to most organizations to try to address those weaknesses. However, their efforts in this regard are not drawing sufficiently on the information and experience available in the system about best practices.

43. Those best practices, as highlighted above, need to be adapted to the mandate and nature of activities of each organization, but they certainly constitute a wealth of ideas and practices that could serve to set each organization's priorities in this area. More importantly, the organizations' efforts in reforming and enhancing their institutional emergency response capabilities need to be coordinated and integrated to serve and complement the overall system needs, while avoiding duplication of efforts and resources. In this context, each organization needs to identify the type of activities where it can bring the most value added in an emergency situation (for example, see para. 32 on WHO intervention in East Timor), and hence focus its efforts on enhancing its emergency capabilities to ensure its reliability, consistency and credibility in crises situations. The Inter-Agency Standing Committee (IASC, see para. 44 below) is well positioned to oversee this process and produce a United Nations "Who Does What" manual for emergency situations. This could be achieved through the establishment of an Inter-Agency Task Force on Organizational Arrangements.[34] **(Recommendation 1)**

[32] A US$ 109,249 World Bank-financed project to provide support for the restoration of "Uma Fukun", or National Museum, Dili.

[33] Radio Lospalos and the reinforcement of the Timor Lorease Journalist Association (TLJA). Both projects for about US$ 115,000, funded bilaterally.

[34] IASC has already six Reference Groups on: Contingency Planning, Human Rights and Humanitarian Action, Gender and Humanitarian Assistance, Sanctions, Emergency Telecommunications, and Small Arms. It also established a CAP Sub-Working Group and an Inter-Agency Task Force on Training. Op. cit., footnote 9 above, p. 28

II. COORDINATING UNITED NATIONS RESPONSE AND ACTIVITIES IN EAST TIMOR

A. Coordination among United Nations system organizations

A.1. The emergency phase

OCHA coordinating functions

44. The Office for the Coordination of Humanitarian Affairs (OCHA) is mandated to coordinate United Nations system assistance in humanitarian crisis and complex emergencies. OCHA performs its coordination function primarily through the Inter-Agency Standing Committee (IASC),[35] which is chaired by the Emergency Relief Coordinator (ERC).[36] IASC is to ensure inter-agency decision-making in response to complex emergencies through several functions and mechanisms including: Monitoring/early warning; contingency planning; inter-agency situation/needs assessment; field coordination mechanism; and the consolidated appeals.[37] The review of these functions and mechanisms in relation to the East Timor crisis suggests that IASC failed to undertake in an appropriate and timely manner the first three functions. This was offset, however, by OCHA's successful performance overall in its coordinating role in the field.

Monitoring/early warning, contingency planning, and inter-agency situation/needs assessment

45. Early attempts by OCHA to prepare the United Nations system organizations for a humanitarian crisis in East Timor met with little success.[38] Even after OCHA managed to have access to more reliable information and better assessment of the situation on the ground through its humanitarian officer deployed as part of UNAMET in June 1999, an inter-agency emergency meeting called by OCHA in New York did not formalize the coordination structures in the post-ballot period, despite a recommendation in that sense by the Special Representative of the Secretary General (SRSG). According to an OCHA study,[39] agencies present at the meeting either felt it was not necessary to formalize coordination activities, that the situation had not yet reached the point where the appointment of a Humanitarian Coordinator or lead agency was needed, or that the meeting was not the forum to discuss the issue. Less than a month later, violence erupted in East Timor with no contingency plans in place or even designed by OCHA and its United Nations partners.[40]

Lessons learned

46. The response, or rather lack of it, by the United Nations organizations to OCHA's calls and attempts to formulate contingency planning for the situation in East Timor appears to be related to systemic issues, rather than being merely a matter of poor judgment and inadequate action by some agencies' representatives. This view is supported by the institutional weaknesses of the United Nations organizations before and during the East Timor crisis, in particular in relation to the early warning function and contingency assessment, as revealed in chapter I above. While evaluations conducted separately by WHO and WFP raised explicitly this point (paras. 25 and 33 above), it is not clear why OCHA and the other United Nations organizations did not benefit from the early presence in East Timor of UNICEF and UNHCR to reach a shared understanding and assessment of the situation on the ground. A lack of

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[35] The members of IASC are the Heads, or their designated representatives, of UNDP, UNICEF, UNHCR, WFP, FAO, WHO and OCHA. In addition there is a standing invitation to IOM, ICRC, IFRC, OHCHR, the Representative of the Secretary-General on IDPs and the World Bank. Three groupings of major international NGOs also have a standing invitation to attend.

[36] General Assembly resolution 46/182 of 19 December 1991 constitutes largely the legislative basis for the United Nations humanitarian actions and mechanisms. IASC and ERC were established according to this resolution, which also launched the United Nations Consolidated Appeal Process (CAP) and the Central Emergency Revolving Fund (CERF).

[37] For more details about these activities, see "OCHA, what it is…what it does", at www.reliefweb.int/OCHA_ol .

[38] For more details, see "OCHA and the Timor Crisis, 1999", an independent study for OCHA, byChris Hurford and Margareta Wahlstrom, November 2001. Following a visit to Indonesia in April by OCHA's Geneva Desk Officer, the ERC and senior managers of OCHA met the Jakarta Resident Coordinator (RC) in New York and agreed on the need to establish preparedness and contingency plan for East Timor with the United Nations country team in Indonesia. On 22 April 1999, a United Nations inter-agency assessment mission visited East Timor. No preparedness actions or contingency plans transpired as a result of these meetings and missions.

[39] Ibid.

[40] The independent study for "OCHA and the Timor Crisis, 1999" (see footnote 38 above) mentioned further that the inter-agency joint assessment mission, agreed upon during the IASC meeting in New York, visited East Timor by the end of August 1999 and delivered its report on 3 September 1999, just one day before the massive violence erupted. Even then, the mission did not plan for a worst-case scenario despite its recognition that the situation might deteriorate to the extent that needs would demand a response beyond the scope of the mission or of humanitarian agencies. Instead, the mission report urged for coordination and further assessments.

proper communication within and among agencies members of IASC seems to have contributed to the poor IASC response before the crisis in East Timor. There is little evidence that the IASC provided the much-needed and intended forum to exchange, at an early stage, information and assessments between its members in order to prepare meaningful contingency plans for a looming emergency. In fact, it appears that even at the field level, no such exchange of information or assessment occurred during the summer of 1999 between the officer of OCHA within UNAMET and the UNHCR field officer.

47. The Secretary-General recently highlighted the fact that a more effective response to natural disasters and complex humanitarian emergencies requires improved contingency planning and preparedness among the members of the IASC and that integration needs to be strengthened to ensure better inter-agency planning.[41] Better communication and networking within and among organizations members of the IASC is essential to achieve this objective, including through specific focal points within each organization for this particular purposes. OCHA should assume a more assertive role in leading this process and in the formulation of such plans. **(Recommendation 2)**

Field coordination mechanism

48. Despite the poor inter-agency actions with regard to early warning, contingency planning and situation assessment, OCHA's intervention in the field and the coordination mechanisms it established during the East Timor crisis were largely successful. Indeed, OCHA's field intervention during the East Timor crisis was praised as a most successful model by most of the United Nations organizations' officials involved in the operation and interviewed for the preparation of this report, including the Special Representative of the Secretary-General to East Timor. Therefore, it was found useful to compile and record the main features of this intervention in this report, as described by the officials consulted and other documented sources.[42]

49. It should be noted that this intervention benefited from two factors that proved vital to its success: the qualities and experience of a few OCHA staff deployed to the field, which ensured the leadership role of OCHA in the coordinating efforts and earned it the respect of the other actors,[43] and a "grace period" for preparation of almost a week grasped by OCHA in Darwin, Australia, before the deployment of INTERFET and the Humanitarian Coordinator (HC) a.i. to Dili on 20 September 1999. This period, during which a few United Nations organizations and international NGOs (INGOs) gathered in Darwin, allowed initial joint planning and the formulation of informal coordination arrangements, which were later consolidated and formalized once the agencies moved to Dili (planning and arrangements which, theoretically, should have been done at Headquarters level within IASC).

50. Hence, working groups, composed of the available personnel from United Nations agencies and NGOs were constituted in Darwin to address the key humanitarian needs in each sector, as well as a number of cross-cutting issues. This informal arrangement was formalized once agencies were in Dili with the establishment of seven sectoral working groups and five working groups for cross-cutting issues. The United Nations agency with the relevant expertise chaired the working groups, with co-chairing arrangements applied for some sectors among United Nations agencies and with INGOs. Sectoral working groups included: food (WFP); shelter (UNHCR); health (WHO and UNICEF); water and sanitation (UNICEF, UNHCR and OXFAM); agriculture (FAO and CARE); education (UNICEF); and infrastructure (UNDP). The five cross-cutting working groups included: protection in West Timor (UNHCR); central logistics (WFP); coordination (OCHA); governance (UNDP), and rehabilitation (UNDP and IOM).[44] With almost 40 humanitarian agencies active in East Timor by October 1999,[45] these arrangements allowed WFP, UNHCR, UNICEF and NGOs to take coordinated life-saving actions during the first month of the operation.[46]

51. A general daily meeting took place in addition to sectoral meetings to discuss and share specific sectors information. In addition, OCHA took responsibility for establishing a United Nations Humanitarian

[41] See footnote 1 above.

[42] See in particular the United Nations Inter-Agency Appeal for East Timor (October 1999-June 2000), OCHA, October 1999, and the independent study for "OCHA and the Timor Crisis, 1999", footnote 38 above.

[43] This element was highlighted by almost all the officials consulted during the preparation of the report. Indeed, an OCHA independent study (footnote 38 above) points to the fact that OCHA's success in Timor relied hugely on the qualities of a few key staff.

[44] See footnote 38 above.

[45] The United Nations Inter-Agency Appeal for East Timor (October 1999-June 2000), OCHA, October 1999.

[46] Ibid. Actions included: creation of safe-haven camps; a general rice distribution; a general distribution of non-food assistance; the re-opening of hospitals and health facilities; food distribution to at-risk populations; and repairs of the piped and well- water system.

Operations Center (UNHOC). The Center provided temporary space for offices and accommodation for humanitarian agencies and for coordinating a rudimentary telecommunications network (upgraded later jointly by WFP and UNHCR). Central OCHA coordination offices were established in four major operational hubs (Dili, Darwin, Kupang and Jakarta), and OCHA sub-offices were established in at least eight locations in East Timor (and two in West Timor).[47] Operational information, including that regarding security, was disseminated to the humanitarian community, including at field locations. Hence, the humanitarian operation in East Timor rested on three pillars: a unified coordination structure in all major operational hubs under the leadership of the Humanitarian Coordinator and facilitated by OCHA; a central logistical network (assigned to WFP); and a security umbrella based on INTERFET forces and guidance from United Nations security offices working under UNAMET.

Lessons learned

52. While the arrangement described above is largely praised as a model for future complex emergency interventions, and indeed allowed OCHA to undertake successfully its field emergency coordination role by ensuring need identification, cross-sectoral planning, information sharing and programme coordination, it could be further improved to render it more systematic. The first point is related to the functions of early warning and contingency planning addressed above, as the "grace period" made available to OCHA in Darwin for formulation of initial plans and informal coordination mechanisms cannot be relied upon for future complex operations. As recommended in para. 47, OCHA and IASC have to assume their responsibility to address this point.

53. Secondly, while the on-the-spot task allocation for agencies at the field proved overall successful, this success was largely due to the expertise of and the leadership exercised by the Humanitarian Coordinator a.i., as well as the commitment of the agency representatives at the field, rather than being based on well- defined systemic division of labor during complex emergencies or reflective of real back-up institutional support and capacities from agencies' Headquarters. Indeed, this on-the-spot task allocation took some agency Headquarters by surprise and created some friction, although rapidly contained, between a few organizations. Hence, for instance, the allocation of the central logistics coordination role assigned to WFP, in addition to its traditional food coordination role, prompted WFP to mount a special operation to accomplish this role and it took the Programme up to six weeks to achieve full operational capacity in this area.[48] In addition, due to capacity and prioritization issues, UNHCR also set up its own logistics unit to coordinate procurement and transport of UNHCR goods for East (and West) Timor.[49] The allocation of the shelter sector was also problematic and, while assumed reluctantly by UNHCR in the field, special efforts, including for resource mobilization, had to be carried out to accomplish a task that UNHCR would not usually be involved in. Also, as more than one agency claimed the leadership role in some sectors (for example both WHO and UNICEF claimed that role for the health sector), co-chairing arrangements had to be introduced to avoid frictions.

54. This on-the-spot task allocation experience confirms the need for a formal division of labor among United Nations agencies to be decided upon within the IASC. In addition, IASC should work to produce a template for coordination mechanisms among its members during emergencies based on the "Who Does What" manual recommended above. Such prior arrangements within IASC would help to avoid or minimize any frictions or surprises among agencies during an emergency situation in the field, and as mentioned above would ensure more predictability and consistency of individual agency interventions. This would also save OCHA the time and effort of striving to formalize ad hoc coordination mechanisms and agreements for each emergency, as it attempted in vain for the East Timor crisis, thus allowing it to focus its energy and resources on its coordination activities and services at the field. **(Recommendation 3)**

55. Finally, the fact that OCHA's success in East Timor was largely due to a few key staff emphasizes the need for OCHA to expand its pool of reliable and trained staff, including at the senior levels.[50] More focus should be given to empower staff with the coordination skills and services to be provided by OCHA at the field level. A policy of multi-tier-approach for staff resources, like the one applied by UNHCR (see para. 19 above), could be explored,

[47] Ibid.

[48] See footnote 38 above.

[49] Logistics funding requirements were included for both WFP and UNHCR in the "United Nations Inter-Agency and NGO Preliminary Assessment of Needs for Humanitarian Assistance for East Timorese", 28 September 1999

[50] The independent study for "OCHA and the Timor Crisis, 1999" (op. cit. , footnote 38 above) highlighted the fact that the deployment to the field of some of OCHA's most senior managers demonstrated the lack of depth it had in terms of experienced field operatives that ccould deploy whilst allowing senior management to remain at headquarters.

including between OCHA and the United Nations Office of Human Resources Management (OHRM), to meet OCHA staff needs in large-scale or complex emergencies, drawing on stand-by United Nations staff, including at senior levels. **(Recommendation 4)**

The Consolidated Appeal Process (CAP)

56. CAP has been the subject of many studies since its inception in December 1991 under General Assembly resolution 46/182, the last of which was an independent study prepared for OCHA in April 2002 to review the process as a resource mobilization mechanism and a coordination and strategic planning tool.[51] The main findings of this study are reflected in the report of the Secretary-General on "Strengthening the coordination of emergency humanitarian assistance of the United Nations" of 14 May 2002.[52] The CAP for East Timor was reviewed as part of an independent study for UNTAET in May 2000,[53] and addressed later, though briefly, in another study for OCHA in November 2001.[54] Therefore, this report will only highlight and emphasize a few points with regard to CAP as they relate to the East Timor experience and with a bearing on inter-agency coordination and effectiveness.

CAP as coordination and planning mechanism

57. The Secretary-General recently emphasized that CAP is a key coordination tool for humanitarian assistance.[55] The experience of East Timor largely supports this statement, in particular in relation to the value of CAP as a coordination mechanism for the United Nations organizations. This important coordination role is closely linked, though, to the process applied for the preparation of the consolidated appeal. The East Timor Crisis appeal was divided into three programme and operational sub-sections (the appeal was divided into two sections, one for East Timor and the other for West Timor). A sector strategy appeared at the start of each sub-section. These strategies were drafted in the sectoral working groups in Dili and represented the collective view of all agencies working in the sector. Agencies working in East Timor worked closely to develop a coherent, fully integrated programme strategy that covers the emergency and initial reconstruction needs of displaced persons and returnees. While projects were presented by sector, reference was made throughout the document to cross-linkages between programmes, and every effort was made to link interventions in one sector with interventions in complementary sectors.[56]

Lessons learned

58. The UNTAET independent study of May 2000 confirmed that CAP as a process did promote inter-agency collaboration in East Timor.[57] CAP also allowed for wider participation for the United Nations system organizations which are not members of the IASC (as well as other actors, such as NGOs), helping therefore to bring on board such organizations as ILO in the coordination efforts. Therefore, a well-managed process for the consolidated-appeal preparation can indeed improve coordination and foster better collaboration among United Nations organizations at an early stage of operation, and could pave the way for continuous coordination in the post-emergency phase (see para. 65 below). This will require, though, that the United Nations organizations make more use of CAP as a planning or programming tool, as the review of CAP for East Timor revealed that only a few of the organizations do so.[58] This should be emphasized and achieved as part of the overall undergoing efforts within IASC to strengthen the CAP as a tool for strategic planning and coordination.[59] **(Recommendation 5)**

Monitoring sectoral gaps and supporting transition from relief to development

59. Another issue related to the East Timor CAP review is the lack of follow-up by OCHA to the CAP responses and therefore its limited influence to address the sectoral gaps resulting from the imbalances in funding for projects included in CAP.

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[51] "An external review of the CAP", by Toby Porter, 18 April 2002, commissioned by OCHA's Evaluation and Studies Unit.

[52] Op. cit. footnote 1 above.

[53] "External Review of the Humanitarian Response to the East Timor Crisis: September 1999-May 2000", Bugnion et. al. on behalf of UNTAET/HAER, 24 May 2000. A brief reference to the study and its overall conclusion was included in the Secretary-General Report A/55/418 dated 26 September 2000 on "Humanitarian relief, rehabilitation and development for East Timor".

[54] Op. cit. footnote 38 above.

[55] Op. cit. footnote 1 above.

[56] See op. cit., footnote 45 above.

[57] Op. cit., footnote 53 above.

[58] Ibid.

[59] In April 2002, the IASC considered 19 actions to strengthen CAP, eight of which are proposed to strengthen CAP as a tool for strategic planning and coordination. For the list of actions, see footnote 47 above, annex 1 (6). This IASC review was also referred to briefly in the Secretary-General's report A/57/77-E/2002/63 (footnote 1 above), para. 74.

notably the projects designed to support the transition from relief to development. This issue is well identified as one of the weaknesses of CAP in general, including most recently in the Secretary-General's report on "Strengthening the coordination of emergency humanitarian assistance of the United Nations".[60]

60. In the case of East Timor, the issue was highlighted in particular in the independent studies for UNTAET and OCHA, and was emphasized in many of the interviews conducted in the preparation of this report.[61] This is easily understood, given the salient imbalance in funding for some sectors through the East Timor CAP, as reflected by the donors' response to the funding requirements of the various organizations included in CAP. While some organizations met all or most of their funding requirements through CAP (for instance UNICEF received 100 per cent of its requirements, UNHCR and WFP each received almost 84 per cent of their CAP requirements), other organizations received very little or none of their requirements (ILO 0 per cent and UNDP about per cent of their funding requirements), and a few received only part of their requirements (almost 55 per cent for WHO and 26 per cent for FAO).[62]

Lessons learned

61. A recent report of the Secretary-General indicates that certain sectors have traditionally been well supported within the consolidated appeals, while others are routinely underfunded. It suggests that donors appear to prefer to use CAP for food aid and use other non-United Nations partners for support in other sectors, particularly agriculture, health and water and sanitation.[63] However, the fact that food aid constituted merely 17 per cent of the total funding received in response to the East Timor CAP (almost US$ 21.3 million out of the US$ 125.6 million received),[64] and that many of the "traditionally" underfunded sectors were actually funded through some United Nations organizations (namely UNICEF and WHO), suggests that other reasons underline and guide the donors' funding decisions.

62. One of the main reasons appear to be related to the quality and degree of priority and relevance of the projects submitted through CAP by the United Nations organizations,[65] and the emergency credibility of the organizations associated with the projects submitted. This point seems to be supported by the fact that the United Nations organizations, which over the years had consistently low responses to their CAP funding requirements (FAO, UNDP and WHO),[66] are actually those organizations with some of the weakest institutional arrangements and capacity for emergency response (including their ability and capacity to draw exit strategies and to establish linkages within their own organizations between relief and development), as revealed by the review in chapter I of this report, which in turn obviously impacts negatively on their credibility and the quality of their projects submitted through CAP. Indeed, a review of some of the projects that received no funding through the East Timor CAP gives credence to the donors' funding decisions as some of these projects seem not to fit within or support the urgent humanitarian needs and efforts, to fall better within the competence and mandate of other agencies, or just to lack realism in a crisis situation.[67]

63. The absence of any emergency funding that would allow these organizations to establish immediate presence and initiate on the ground some

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[60] Footnote 1 above.

[61] See footnotes 53 and 38 above, respectively. The study conducted on behalf of UNTAET in May 2000 indicated that strategic monitoring of CAP, which would justify flexibility, such as reallocating funds among the sectors so as to overcome the weaknesses of a sector approach, had not been conducted.

[62] Figures from the Financial Tracking Database for Complex Emergencies, the 1999 UN Inter-Agency Appeal for East Timor (table 1: Summary of Requirements and Contributions – By Appealing Organization, as of 22 January 2001). See footnote 45 above.

[63] See footnote 1 above, para. 68.

[64] See footnote 62 above, table II

[65] The external review of CAP (see footnote 51 above) indicates that donors still mention the poor quality of some of the projects summarized in the CAP when asked to explain their funding decisions. Also the lack of sufficient project cost detail was highlighted by donors as one of the weaknesses in the East Timor CAP (see footnote 53 above).

[66] From 1994 to 2001, organizations like FAO, UNDP and WHO received, respectively, 21 per cent, 23 per cent and 26 per cent of their overall CAP requirements during this period. On the other hand, organizations like UNHCR, WFP and UNICEF received, respectively, 88 per cent, 85 per cent and 59 per cent of their overall CAP requirements over the same period. See footnote 51 above, annex 9: Graph showing CAP requirements and income for the seven major UN agencies (1994-2001)

[67] As an example of some of the projects submitted by the United Nations organizations that received no funding through the East Timor CAP are FAO projects for vegetable seed distribution (most of the food and seed distribution needs were already met through WFP and NGOs), or to support the return and resettlement of displaced Farm families and to provide emergency assistance to the artisanal fisheries sector. Also a WHO project for integrated management of childhood illness, a UNDP project to support governance and sectoral capacity building, and an ILO project for comprehensive vocational education and training (VET) for East Timorese. See footnote 45 and footnote 62 above, table III

of the emergency projects within their competence and where they can demonstrate a value added (which would be included later in CAP) contributes to the credibility problem facing those organizations, and makes it harder for them to mobilize resources later for their CAP projects. It is no surprise that the United Nations organizations with the higher level of response to their CAP funding requirements, notably UNHCR and WFP (and UNICEF to a lesser degree), are the same organizations that depend the least on CAP as a fund-raising tool. In addition, UNICEF (together with UNHCR and WFP to a lesser degree) is a consistent user of the Central Emergency Revolving Fund (CERF), which allows it to support its early field presence and to initiate some of its projects in an emergency situation, thus helping to foster its credibility among the humanitarian actors and donors. (CERF, though, with its US$ 50 million funding capacity, can only finance a portion of the emergency funding requirements of the United Nations system organizations).[68]

64. While some of the measures outlined in the report of the Secretary-General on "Strengthening the coordination of emergency humanitarian assistance of the United Nations",[69] including the financial tracking system launched in 2001,[70] could indeed help CAP monitoring, the analysis above suggests that a genuine effort to address the sectoral gaps within CAP would certainly benefit from the strengthening and reform of the institutional capabilities for emergency response in the United Nations agencies, funds and programmes as recommended above (para. 43). Member States should support such efforts, including by investing in individual organizations' emergency revolving funds needed to secure an early and credible response by the United Nations organizations during emergency situations. **(Recommendation 6)**

[68] CERF is a cash-flow mechanism established in accordance with General Assembly resolution 46/182 of December 1991 to allow for an immediate response to an emergency. CERF requires that agencies borrowing money from it reimburse the amount loaned within a specific target period, not to exceed one year. Since 1992, the CERF has been used 51 times, with a total of $US 127.7 million disbursed. Disbursements to UNICEF, UNHCR and WFP account for 80 per cent of this total. See footnote 37 above.

[69] See footnote 1 above.

[70] Ibid, para. 75

A.2. The post-emergency phase[71]

65. There was a general consensus, among representatives of agencies, funds and programmes interviewed in the field for this report, that coordination among them was exemplary. Most of them emphasized that this had been facilitated by the good level of coordination originally ensured by OCHA during the emergency phase, and consolidated by other factors, including the leadership exercised by the United Nations Resident Coordinator as well as by the sheer hardship and difficulty which all faced at the outset and which forced them to seek each other's support.

66. Coordination in Dili was formalized very quickly as a normal country team was established soon after the resumption of United Nations operations through UNTAET in December 1999. Weekly meetings were held for heads of agencies (also attended by the World Bank representative), and theme groups were set up. The Resident Coordinator was the main channel of contacts and communication between the agencies and the Special Representative of the Secretary-General (SRSG), although they all had direct access to the SRSG if required. The Resident Coordinator also spoke on behalf of the agencies in the donors' conferences. In addition, the Resident Coordinator obtained agreement early on from all United Nations organizations present in East Timor that all proposals for projects would be first vetted through UNTAET.

67. At the beginning, cooperation and coordination focused a great deal on practical issues. All the organizations (with the exception of UNHCR) were housed in one single building, the "United Nations Agency House", which also provided more cohesion and facilitated the cooperation among them. While no formal agreement was established for the use of common services, UNDP did provide some services to a number of agencies, on a charge-back basis. Hence, arrangements were in place, for instance, for the sharing of cleaning, information technology and security services. In addition, several organizations with small presences (such as ILO, FAO and UNFPA) relied on administrative services provided by UNDP.

68. Cooperation later expanded to policy issues with the preparation of the Common Country Assessment (CCA), which helped in pulling agencies together on

[71] As mentioned in para. 5 of the introduction, the report focuses on the review of United Nations system processes and mechanisms applied in different phases during the case of East Timor and bearing on the coordination and effectiveness of its organizations. Therefore, the substantive or programmatic aspects of this coordination are not addressed in the report.

substantive issues. The CCA process was launched in May 2000 and the document was issued in November 2000.[72] Its terms of reference were established and endorsed by UNTAET. CCA was meant to serve as an immediate input into the development dialogue in East Timor and an essential first step in a continuous process, rather than a comprehensive product based on a lengthy and exhaustive process. It drew strongly from the data and analysis contained in the report issued by the World Bank-coordinated Joint Assessment Mission (JAM).[73] CCA also led, in a second phase, to the issuance in early 2002 of the first United Nations Development Assistance Framework (UNDAF) for East Timor.[74] Given the development circumstances in East Timor, an annual formal review is envisaged for UNDAF.

Lessons learned

69. The assessment given by the representatives of the United Nations organizations in East Timor of the inter-agency coordination in the post-emergency phase in East Timor, and of the early use of the United Nations system development mechanisms to achieve this coordination, raises some points that are worth highlighting in relation to the coordination and effectiveness of the United Nations system response. Among these points is the management of the transition from relief to development. There is no doubt, as confirmed by the East Timor experience, that strong and well-managed coordination during the emergency phase paves the way to and facilitates a better coordination among the United Nations organizations in the transition phase. However, the East Timor experience also underscored the lack of a United Nations framework to manage the immediate transition from the humanitarian emergency phase to a more sustained development phase. This gap from relief to development, in the case of East Timor, was addressed to an extent by the World Bank funding coordination for the rehabilitation and recovery efforts, in consultations with UNTAET and through several donor conferences.[75] However, as it is shown below (paras. 100-103), the United Nations organizations benefited little from this setting, and their activities suffered during this period.

70. Despite the acknowledged and commendable leadership in the preparation of CCA, UNDP's limited capacity did not allow it to assume a similar leadership role in managing or providing a framework for the United Nations organizations to organize and deliver their services and activities in the immediate post-emergency phase. This had a negative impact on the effectiveness and contributions of many of the United Nations organizations during the period of transition from relief to development. It would appear useful, therefore, for UNDP to increase its efforts in this particular area while reinforcing its internal capacity for emergency responses. In this context, joint arrangements and mechanisms should be explored between UNDP and OCHA that would allow a smoother transition from relief to development, while ensuring a leadership role for the United Nations system during this phase and until the other development mechanisms (CCA and UNDAF) are fully activated. **(Recommendation 7)**

71. It should be emphasized here that such arrangements or mechanisms should be mainly developed for planning and coordination purposes, rather than for fund-raising purposes, as funding in this case, including for the United Nations organizations activities, could continue to be provided through other mechanisms including resource mobilization efforts by each organization (which will depend, inter alia, on the capacity and credibility of these organizations), or donors trust funds, or just bilaterally through the government concerned.[76]

72. Another issue related to the management of the transition period is the ability of the existing United Nations system development coordination mechanisms to take into account and reflect the impact of a crisis in a country or a region. Even in a

[72] The United Nations country team that participated in the CCA process included: UNDP, UNICEF, WFP, UNFPA, UNHCR, UNOPS, WHO, FAO, and ILO. Although consultations with local authorities could not be conducted in the same manner as in other countries, efforts were undertaken to seek contributions from the East Timorese leadership. For more details, see the Common Country Assessment for East Timor "Building Blocks for a Nation", East Timor, November 2000.

[73] JAM, coordinated by the World Bank, was endorsed at a meeting of donors, United Nations agencies and East Timorese representatives on 29 September 1999. It was deployed on 29 October 1999 to identify priority short-term reconstruction initiatives and provide estimates of external financing needs. The JAM report was issued in November, only few weeks after the launching of the United Nations CAP for East Timor on 27 October 1999.

[74] UNDAF/East Timor covers, though, the period 2003-2005. It took January 2003 as a starting date to ensure synchronization with the National Development Plan in East Timor. For more details, see East Timor: UNDAF (2003-2005).

[75] From mid-December 1999 till the independence of East Timor on 20 May 2002, six donors' conferences took place, the last of which was in Dili just before the declaration of independence.

[76] In 1996, UNDP proposed the creation of an Expanded Consolidated Inter-Agency Appeal (E-CAP) as a "bridging funding mechanism which could embrace relief and initial development needs". The proposal was rejected later. See op. cit., footnote 51, annex 2

case as difficult as East Timor, given the level of destruction, the collapse and absence of governance structures, and the lack of any reliable baseline data, the United Nations country team managed to embark on a CCA process which analyzed and compared the situations prior to and after the crisis. Later, the UNDAF for East Timor included a formal annual review clause. This shows that the CCA and UNDAF processes in general can and should be more flexible and dynamic, in order to reflect as soon as possible the impact of crisis in their assessments and to encourage the United Nations organizations to adjust their development programmes and activities in the country accordingly. This would help to shorten the transition phase in a country or region, and would rationalize the use of CAP for the countries that are in the process of transition from relief to development, given the poor response to such CAPs in general as highlighted in a recent report of the Secretary-General.[77] **(Recommendation 8)**

73. The continuous effective coordination among United Nations organizations in East Timor, despite the absence of a framework to govern the transition, emphasized once again the importance of leadership and the need for the United Nations system to continue to invest in preparing and training senior level officers who can assume the challenging responsibilities of coordination across the system.

74. Finally, while inter-agency coordination on the ground seemed satisfactory, it appeared less effective at the level of Headquarters. An inter-agency task force, chaired by the Under-Secretary-General for Peacekeeping Operations, was established in New York, in which representatives of DPA, UNDP and the World Bank participated. Other United Nations organizations, however, had no clear conduit of participation in this task force other than through UNDP. The Administrator of UNDP, therefore, virtually acted as the spokesperson for all the agencies and programmes in New York, including when he addressed the Security Council. Some officials expressed the view that this task force was detached from the developments at the field, and a lot of its efforts were directed to prepare the Secretary-General reports to be submitted to the Security Council instead of providing coordinated policy guidance to the field. In principle, though, most officials believed that deficiencies related to coordination at Headquarters level can be improved in the future through the Integrated Mission Task Force (IMTF) mechanism recommended by the Panel on United Nations Peace Operations (see para. 80 below).

B. Cooperation and Coordination between United Nations organizations and UNTAET

75. The Security Council, in establishing UNTAET, recognized that, in developing and performing its functions under its mandate, UNTAET would need to draw on the expertise and capacity of Member States, United Nations agencies and other international organizations. The Council also encouraged Member States and international agencies and organizations to provide personnel, equipment and other resources to UNTAET as requested by the Secretary-General, including for the building of basic institutions and capacity, and stressed the need for the closest possible coordination of these efforts.

76. While satisfaction largely prevailed with regard to the nature of inter-agency cooperation and coordination in East Timor, the assessment of the cooperation and relation with UNTAET varied among the United Nations organizations, especially in the areas highlighted by the Security Council. In general, organizations which qualified their interaction and cooperation with UNTAET as quite good, including UNHCR, UNICEF, UNDP and WHO, benefited from smooth relations with and easier access to high-level and senior officials in UNTAET. These relations and access, though, were attributed either to the personal background and experience of the SRSG and his understanding of the United Nations system (UNHCR and UNDP) or to the fact that some high-level and senior officials selected to serve at UNTAET were seconded from their parent organizations (UNICEF and WHO). Other organizations, though, did not benefit from these factors from the outset and described their relations and cooperation with UNTAET as difficult and lacking in consultations (FAO and ILO).

77. In all instances, though, the cooperation and interaction between UNTAET and the United Nations organizations suffered from poor planning and staffing processes of the former. While some organizations managed to overcome this on the ground through some enabling, including personal, factors, others could not overcome the systemic deficiencies that characterized these processes.

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[77] See op. cit., footnote 1 above, paras. 69 and 84 (r). Consolidated appeals for countries that are in the process of transition from relief to development have been the least funded. The main reason attributed to this was the so called "compartmentalization" of different sources of funding, as most donors retain sharp institutional divisions between relief and development funding. The Secretary-General also called on Member States to encourage the United Nations to strengthen its existing planning tools, such as CCA, UNDAF and CAP, in order to better reflect disaster risk management.

Planning of UNTAET

78. There was a consensus among the officials interviewed that the planning for UNTAET started very late in relation to the developments on the ground and that no real prior contingency planning was conducted for the mission. The process obviously suffered from a difficult transition from the Department of Political Affairs (DPA), which was the lead department for the UNAMET operation, to the Department of Peacekeeping Operations (DPKO), which assumed the lead role for UNTAET. The Task Force established later for that purpose lacked precision and acted rather hastily to deliver its product. Apart from OCHA at Headquarters, the planning process was apparently exclusive not only of other United Nations organizations, but even of some "in house" relevant departments at Headquarters.

79. For instance, while the Division for Social Policy and Development of the Departme nt of Economic and Social Affairs (DESA) participated, at the working level, in the planning and organization of the social sectors, the Department's Division for Public Administration was not involved in the planning process, despite the fact that UNTAET's mandate focused mainly on governance. The experience and expertise of some organizations with early presence in East Timor and active in the emergency and humanitarian field, like UNHCR, were not taken into account during the planning process, especially for the humanitarian component of UNTAET, as their representatives in New York were not at first invited to participate in the Task Force (the transition from OCHA to UNTAET/HAER proved later problematic and confusing, partly because of planning deficiencies, including lack of consultations with the humanitarian partners during the process, and also lack of expertise in UNTAET humanitarian pillar).[78]

Lessons learned

80. The Secretary-General recently emphasized the need to bring a sharper definition to the existing lead department policy, which sets out the relationship between DPA and DPKO. In this context, the leading role of DPKO for the planning and management of all peace and security operations in the field, including those in which the majority of personnel are civilians, was confirmed.[79] Officials at Headquarters also pointed out to the fact that the UNTAET operation took place before the issuance of the report of the Panel on United Nations Peace Operations,[80] and that most of the planning deficiencies highlighted above should be addressed in the context of the Integrated Mission Task Force (IMTF) mechanism recommended by the Panel.[81] The Under-Secretary-General for Peacekeeping Operations recently emphasized that the United Nations mission in Afghanistan, the first new operation established since the issuance of the panel report, had been conceived differently as a result of the full institution of the IMTF concept, and that true integration had also been attempted by pulling together all United Nations relief, rehabilitation and reconstruction activities under a single pillar of the mission.[82]

81. In view of these developments, and building on the internal review reportedly conducted by the Department of Political Affairs, the Inspectors believe it would be most useful if the Peacekeeping Best Practices Unit within DPKO would conduct a review of the mission in Afghanistan with special emphasis on the new processes and mechanisms applied in the mission,[83] including to what extent inputs from United Nations agencies, funds and programmes as well as from other departments of the United Nations Secretariat were integrated from the start in the conceptualization and planning of the mission through these new processes and mechanisms. **(Recommendation 9)**

Staffing of UNTAET

82. Officials interviewed for this report widely concurred that the recruitment process for UNTAET was largely inefficient and poorly handled. Because DPKO was ill-equipped to manage such a wide-scale recruitment of civilian staff with technical expertise, staffing needs were not always appropriately identified, staffing tables were poorly planned, and the whole process of prioritization, selection and administration, was not managed satisfactorily. Moreover, DPKO lacked the understanding of the dynamics and needs of operations (humanitarian, development, and the transition from one phase to the other). This led, especially during the early critical

[78] For more details about the transition phase from OCHA to UNTAET/HAER, see op. cit., footnote 38 above, chapt. 4.

[79] See report of the Secretary-General (A/57/387 of 9 September 2002) on "Strengthening of the United Nations: an agenda for further change", para. 126

[80] A/55/305 - S/2000/809, 21 August 2000.

[81] Ibid, para. 217.

[82] Statement of the Under-Secretary-General to the Fourth Committee (Special Political and Decolonization) of the General Assembly during the 57th Session of the Assembly, 18 October 2002.

[83] The Under-Secretary-General also highlighted in his statement to the Forth Committee that the assignment of lead-nations for such tasks as army and police restructuring, judicial reform and drug control, was another innovation in the Afghanistan mission.

phase of UNTAET operations, to a flow of generalists whose background, skills and competences rarely matched their required tasks, which in turn, hampered UNTAET in undertaking adequately its mandate, especially under its governance and public administration pillar (although its humanitarian pillar suffered as well, as referred to in para. 79 above).

83. Thus, a resident audit's report covering UNTAET's operations from December 1999 to December 2001 highlighted managerial weaknesses in planning and implementation of infrastructure projects, quick impact projects, as well as public information programmes. It identified inadequate planning and the failure to ensure the availability of required expertise as the main factors behind the ineffective and belated implementation of infrastructure repair projects.[84] While the delegation of authority given to UNTAET in November 2000 to recruit staff for the transitional administration improved the situation with regard to recruitment delays, the Mission lacked the required staff competencies (including competent recruiting officers) to optimize the use of this authority and continued to recruit staff of questionable quality.[85]

84. The poor management of the recruitment process for UNTAET did not only hinder its ability to undertake effectively its mandate, but also had a bearing on the relation and collaboration between UNTAET and the United Nations agencies, and thus on the ability of the latter to contribute effectively to the institution and capacity-building efforts in East Timor, as requested by the Security Council.

85. As a pattern, the United Nations Headquarters requested the specialized agencies to nominate two senior experts as potential candidates to support UNTAET. WHO, ILO and FAO responded to that request, but were never subsequently involved in, consulted, or informed about the final selection and recruitment of their candidates.

86. According to the **FAO** officials, it appears that none of their candidates were recruited by UNTAET. A mission dispatched by FAO/TCOR to East Timor in May 2000 noted a change from initial close consultations between United Nations agencies and other actors at the outset of the crisis to a seemingly less coordinated response under UNTAET. The Department of Agriculture in UNTAET had been staffed with about 30 international Professional officers (more staff were being recruited) selected by the United Nations Secretariat in New York (DPKO), apparently from a roster of candidates proposed by member States, without an overall plan and guidance necessary for establishing a technical ministry. Although FAO had offered its support to the Agriculture Department of UNTAET, this offer was not taken advantage of with the exception of the secondment of a fisheries expert from Headquarters (1 May–31 August 2000). As a result, FAO estimates that it had very little impact either on the institutional structure or the policies set by UNTAET for the agriculture sector in East Timor, given that its presence and level of activities in general were limited and confined to agricultural relief operations at the field level.

87. In the labour and employment sector, the candidate recruited by UNTAET was a retired ILO expert. **ILO** describes the limitations placed on its impact on UNTAET policies and institution and capacity-building efforts regarding labour and employment in East Timor as frustrating. For instance, according to ILO officials, the organization's involvement in preparing the Labour Code for East Timor (Headquarters and Regional Office missions; technical advice to UNTAET units) was limited to the early months, and the ILO only obtained a copy of the Code through the East Timorese Labour Secretary a short time before UNTAET promulgated it on 1 May 2002. According to ILO officials, the Organization could also have contributed, through its experience and advice, to address the problems associated with the unsustainable labour wages applied by UNTAET, including by suggesting from the beginning levels of wages more in line with the real labour economy in East Timor and the region. Although consultations later improved with the launch of another project (see para. 37 above), a perception remains among ILO officials that UNTAET's approach was non-consultative.

88. On the other hand, **WHO**'s assessment of its relation and collaboration with UNTAET was rather positive, probably due to the fact that the health expert recruited by UNTAET was a seconded WHO senior expert who was able to draw on WHO expertise. In addition, this WHO-seconded expert was also responsible, in his new position, for the UNTAET management of the World Bank-funded projects in the health sector. This allowed WHO to be well positioned later to benefit from the WB as a funding institution, and the smooth relations between the WHO representative in Dili and the

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[84] OIOS Audit No. AP2001/73: Resident Audit of the United Nations Transitional Administration in East Timor, 21 February 2002.

[85] The Resident Audit report (see footnote 84) also indicated that in the absence of terms of reference for the posts and background checks on the candidates, the Mission's recruitment and grading decisions could not be regarded as well informed, and that there was no assurance that best suited persons were indeed recruited.

UNTAET/WHO seconded expert (although this funding represented a small amount of the overall WHO activities in East Timor).

89. It should be emphasized, though, that in all the cases, and although acting as de facto ministers in their respective sectors, the senior specialized experts recruited by UNTAET whether in the agriculture, labour or health sectors had limited authority on the staffing of their respective departments in UNTAET - a task fully managed by DPKO - hindering even more the potential for those senior experts to draw on the expertise of the respective United Nations agencies, especially during the early phase of operations.[86]

Lessons learned

90. The challenges and problems of recruiting civilian staff for United Nations peace operations, including DPKO deficiencies in this regard, were extensively tackled and well identified through many Secretariat and oversight reports, some dating to the early 1990s.[87] It was only recently, though, following the report of the Panel on United Nations Peace Operations,[88] that appropriate action, both by the Secretariat and Member States, was initiated to address those challenges and problems, as described in several reports by the Secretary-General on the implementation of the recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations.[89] Most pertinent among these new measures is the development of a global strategy for civilian staffing, recommended by the Panel on United Nations Peace Operations. Other measures include modifying the Galaxy Project to meet the full range of peacekeeping recruitment needs and developing mission templates and generic job profiles.[90]

91. The proposed staffing strategy, which is being prepared by an interdepartmental team from the United Nations secretariat, comprises five key elements.[91] One of these is the need to expand the sources of recruitment, including through agreements with United Nations entities, agencies and Member States. Among the tasks assigned to the interdepartmental team is to clarify the roles and responsibilities of departments, agencies, funds and programmes to help manage the newly designed system, as well as to prepare and make available their own staff for deployment to peace operations on short notice.[92] In August 2001, DPKO conducted a review of applicant databases in the United Nations Volunteers (UNV), WFP and UNHCR in an effort to develop a compendium of existing potential sources of recruitment and to create tools to enhance standby capacities. New procedures have been concluded with OHCHR to streamline and shorten the selection process of Human Rights Officers in field missions.[93]

92. The Inspectors welcome the actions taken so far to address the deficiencies associated for so long with the recruitment of civilian staff, and largely exposed during the UNTAET operation. They welcome in particular the ongoing preparation of the staffing strategy and the emphasis given to the expansion of recruitment sources for the civilian staff. However, they have so far seen little evidence of real and active involvement of the United Nations agencies in this process.

93. In the case of East Timor, agencies, funds and programmes that managed to provide their expertise to UNTAET were in a much better position to contribute actively to the institution and capacity-building efforts in the country. While the recruitment process for UNTAET did not allow for a systemic use of the agencies' expertise, the review in chapter I of this report also suggests that the limited capacity of the agencies may also have affected their ability to mobilize fast enough the required senior expertise, which affected negatively their activities in East Timor.

94. In view of this experience, the Inspectors stress the need for consultations with and involvement of United Nations agencies during the preparation of the staffing strategy, as an important and valuable

[86] By contrast, it should be noted on this point that for the recruitment of the senior human rights expert in UNTAET, the recruitment was based on a recommendation from the Office of the High Commissioner for Human Rights (OHCHR), with only the administrative recruitment procedures handled by DPKO. Once chosen (albeit after a delay as well due to the limited capacity of OHCHR as well in emergency response), the senior expert was involved himself afterwards in the recruitment of his team.

[87] For example see the JIU report A/48/421 of 19 October 1993 (JIU/REP/93/6) on "Staffing of the United Nations peacekeeping and related missions (civilian component)", and more recently the report of the Panel on United Nations Peace Operations (op. cit., see footnote 80, para. 127) and the OIOS report A/56/202 of 20 July 2001.

[88] See footnote 80 above.

[89] See the reports of the Secretary-General A/55/502 of 20 October 2000 (paras. 103 - 111), A/55/977 of 1 June 2001 (paras. 154 – 164), and A/56/732 of 21 December 2001 (para. 35).

[90] See the report of the Secretary-General A/56/732 of 21 December 2001, para. 35.

[91] A/55/977, para. 157.

[92] A/55/502, para. 105 (g).

[93] A/56/732, para. 35.

potential source for civilian expertise and as part of the tasks prescribed by the Secretary-General to the interdepartmental team responsible for the preparation of the strategy. The United Nations Secretariat needs to be better informed about the various areas of expertise that could be provided by the agencies, and the actual capacity of the agencies to mobilize its resources to meet any urgent deployment needs for peace operations. At the same time, the United Nations agencies need to be better informed about the expectations and exigencies of the United Nations Secretariat in this regard and to review their own capacities and arrangements accordingly to meet these expectations and needs as far as possible. Arrangements need to be agreed upon between the interdepartmental team and the agencies to ensure that inputs from agencies are properly incorporated in the current process of preparing the staffing strategy. **(Recommendation 10)**

III. FUNDING MECHANISMS APPLIED IN EAST TIMOR: THE EXPERIENCE OF THE TRUST FUND FOR EAST TIMOR (TFET)

95. As mentioned above, a CAP for East Timor was launched in October 1999 with total requirements of $US 179,660,556 covering the period October 1999 to June 2000. Despite shortfalls in the response to the funding requirements of some organizations and in the disbursement of some funding,[94] the overall response to the consolidated appeal for East Timor, with 70 per cent of its requirements covered, compares favourably to responses to other appeals over the years and in 1999.[95]

96. Shortly after the launch of the CAP for East Timor, the report of JAM coordinated by the World Bank (see para. 68 above and footnote 73) was issued and presented to a donors' conference in December 1999. The conference decided to establish two trust funds to manage the bulk of donors' funding to East Timor. The Consolidated Fund of East Timor (CFET) and the Trust Fund for East Timor (TFET) were launched in early 2000.[96] Expenditure from both funds, together with UNTAET expenditure, constituted almost 73 per cent of all international and government expenditure in East Timor in 2000-01 and 67 per cent of all expenditure during 2001-2002.[97]

97. CFET, run by the Transitional Administration, was established to cover the recurrent costs of core functions of the government, including wages and salaries for civil servants, goods and services and capital investment such as renovation of key government facilities and urgent infrastructure repair projects. Out of almost US$ 51 million spent through CFET during 2000-01, 27 per cent covered salary and wages, 31 per cent goods and services and 42 per cent capital expenditure.[98] During the years 2000-2001, 56 per cent of the CFET receipts were financed by donor contributions (mainly channeled through a United Nations Headquarters-administered trust fund, the Trust Fund for UNTAET), with the remaining 44 per cent financed from taxes or other income.[99]

98. While poor planning and lack of expertise were a common feature in many of the projects funded through CFET, this was part of a larger and more complex problem related to the capacity and ability of the United Nations Headquarters and the Mission in the field to mobilize and recruit the required civilian expertise, as highlighted above. Indeed, although the assessment of the UNTAET relation and cooperation with the United Nations agencies, funds and programmes varied, it is noted that, given the high level of CFET expenditure in some sectors, the United Nations agencies, funds and programmes could have generally benefited more from a systematic recourse to their expertise and from an enhanced capacity to respond to UNTAET needs. For instance, in 2000-2001 CFET expenditure reached almost US$ 10 million in the education sector, US$ 3 million in the health sector, and US$ 1.4 million in housing and community development projects.[100] It is hoped that the actions and recommendations described in this report to improve the recruitment process of civilian staff to peace operations and to enhance the emergency response capabilities of the agencies, funds and programmes would lead to a more systematic and solid collaboration between United Nations Headquarters and the agencies, funds and programmes in future complex peace operations.

The Trust Fund for East Timor (TFET)

99. TFET was established by the World Bank's Board of Governors following the December 1999 donors' meeting. It provides grants for economic reconstruction and development activities in East Timor that are prepared and supervised by the World Bank and the Asian Development Bank (ADB). According to an Agreement concluded between the World Bank and the Asian Development Bank, the latter administered TFET projects in the sectors of roads, ports, water utilities, telecommunications, power and microfinance, with the World Bank responsible for TFET projects in the sectors of health, education, agriculture, private sector development and economic capacity building. By the end of 2001, TFET- financed programs in six sectors (community development, health, education, agriculture, infrastructure, and water and sanitation) and five smaller projects (human resources survey, Dili

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[94] For more details about the disbursement problems, especially to NGOs, see op. cit., footnotes 38 and 53.

[95] For more financial data of consolidated appeals from 1992 to 2001, see op. cit., footnote 51, annex 9.

[96] The report does not address the assessed contributions for UNTAET. Those contributions are largely covered by the relevant Secretary-General and ACABQ reports.

[97] The East Timor Combined Sources Budget 2001-02, Mid-Year Update, prepared by the Ministry of Finance, East Timor Public Administration. The remaining portion was covered by bilateral and multilateral expenditure. Estimate of UNTAET expenditure excluded offshore payments.

[98] United Nations, East Timor Transitional Administration (ETTA), Annual Financial Report and Accounts (2000-2001).

[99] Ibid.

[100] Ibid.

Employment, small enterprises, microfinance, and economic capacity-building).[101] On 30 April 2002, TFET receipts amounted to US$ 164.6 million, with US$ 149 million committed.[102]

TFET and the United Nations agencies, funds and programmes

100. While recognizing the important contributions made through the TFET funding to the reconstruction and development of East Timor, the Inspectors noted a wide dissatisfaction among the United Nations agencies, funds and programmes towards this funding mechanism, and in particular towards its administration by the World Bank. The TFET experience in East Timor merits a more elaborated review in this report in view of the prevailing disappointment expressed to the Inspectors by the agencies, funds and programmes, as almost all of them were excluded from any funding channeled through TFET and hence prevented from contributing more effectively to the reconstruction and development efforts in East Timor. Moreover, the fact that TFET attracted the major part of the donors' funding for rehabilitation and development activities made it more difficult for the agencies to mobilize resources outside this mainstream funding, while being excluded from it.

101. It was generally noted that the World Bank did not seek to use the expertise of United Nations agencies in implementing projects funded through TFET, preferring to purchase that expertise externally, at the Bank's rates, even as agencies participated in some instances in the formulation process of some of these projects. United Nations agencies were also deterred by what they perceived as cumbersome procedures and very heavy bureaucratic requirements of the Bank, including in terms of follow-up and reporting, and of unsatisfactory implementation arrangements dictated by the Bank. Some complained that the TFET guidelines were drafted in a way that made it difficult for United Nations agencies, funds and programmes to get funding for their projects.

102. For instance, **UNHCR** failed constantly, despite numerous attempts by its representative, to obtain funding from TFET to support its shelter-rehabilitation programme. The World Bank representative in the field responded that the programme did not meet the criteria of activities to be funded through TFET. The agency also offered its expertise in the field of reintegration of displaced persons for the formulation of the TFET-funded Community Empowerment Project (US$ 21.5 million over 2.5 years, US$ 7 million in the initial grant and US$ 8.5 million in the second grant agreement),[103] but to no avail. **UNICEF** had to rely totally on its own mobilization efforts to finance it projects despite the fact that most of these projects were in the sectors of education and water and sanitation, where numerous other projects were funded through TFET. In fact, some of these TFET projects, like the Emergency School Readiness Project (ESRP, a grant agreements of US$ 13.9 million)[104] had to be implemented in close cooperation with UNICEF, which managed programs for the re-roofing of primary schools in East Timor. **UNDP** was engaged in the implementation of the US$ 499,000 Dili Community Employment Generation Project (completed in December 2000). The experience of UNDP with the Bank's procedures and implementation arrangements for the project, however, was so negative that it decided not to get involved in the implementation of any other World Bank-funded projects in East Timor.

103. **FAO** fielded a mission to East Timor in May 2000, principally upon invitation from the World Bank team in charge of the Bank Agriculture Rehabilitation Program (ARP) for East Timor, to prepare a technical proposal for the implementation of the "Priority Productive Asset Restoration" (PPAR) component of ARP. However, upon preparation and submission of the proposal, discussions with the World Bank and UNTAET Department of Agriculture (UNTAET/DA) did not result in a request for FAO's technical assistance for the implementation of PPAR, as had previously been understood by FAO, but only in a request for fielding two consultants. Hence, FAO disengaged from the operation, providing UNTAET and the World Bank with a full technical proposal for technical and planning assistance of PPAR (ARP overall program cost is US$ 20.7 million in grants over 3 years).[105] **ILO** expressed its disappointment that job creation was not given enough attention and focus in the TFET funded projects despite repeated calls from it, especially to ADB in their US$ 29.8 million Emergency Infrastructure Rehabilitation Project (funded as grants from TFET). According to ILO officials, only 15 per cent of the project's investment costs went towards job creation and the conventional approaches adopted to infrastructure rehabilitation,

[101] Trust Fund for East Timor (TFET), Report of the Trustee, TFET Donors Council Meeting, Oslo, 13 December 2001.

[102] Trust Fund for East Timor, Update No. 17, the World Bank, 30 April 2002.

[103] Ibid.

[104] Ibid.

[105] Ibid.

operation and maintenance had little impact on jobs for locals despite the large amount of funds invested in this sector. Finally, **WHO** had to rely on its own resources and mobilization efforts to fund its projects as none of its 2000-2001 projects received any funding from TFET, and only one of its projects for 2002-2003 received a US$ 84,000 contribution from TFET out of the US$ 541,000 project cost. This contribution appears very limited, given that WHO activities during this period were estimated at US$ 4.2 million,[106] and compared to the US$ 25.3 million TFET grants for its Health Sector Rehabilitation and Development Program.[107]

The World Bank response

104. Officials of the World Bank in the field and at Headquarters expressed different views with regard to the involvement of the United Nations agencies, funds and programmes, or rather lack of, in the TFET funded projects. The representative of the World Bank in the field stated that the United Nations agencies were either too slow to respond to the projects' offers or charged excessive overhead costs. Officials at World Bank Headquarters suggested that there is an obvious lack of understanding between the World Bank on one hand, and the United Nations agencies, funds and programmes on the other, for each others procedures and constraints, especially with regard to project implementation. They attributed the "tense relation" in East Timor between both parties to this particular fact, saying that the World Bank's team in Afghanistan seemed to be facing sometimes the same problems as they approached Headquarters to enquire about the East Timor team experience on this specific point.

105. As for the process that led to the designation of the World Bank as trustee of TFET, a senior official stressed that the Bank tried from the beginning to involve UNDP in the establishment and operation of the Trust Fund, but the latter was too slow and reluctant to respond, apparently for capacity-related reasons as well as for political hesitation related to regional considerations (factors largely confirmed through this review). The official added that workable solutions could have been explored at this stage to ensure a role for UNDP in the disbursement process of TFET funds, including, for instance, a formula under which the World Bank would have run the Fund technically (i.e. collect and supervise the donors' funds disbursement) while channeling the funds, at least partially, through UNDP to finance specific rehabilitation and development activities.

Lessons learned

106. The views expressed above by officials of both the World Bank, and the United Nations agencies, funds and programmes, show an important "perception gap" between both parties regarding each others' role, functioning and capabilities. Such gap led, in the case of East Timor, to unfulfilled expectations from the part of the United Nations agencies, funds and programmes, and deprived the Bank of United Nations expertise that could have contributed to optimizing the use of Trust Fund resources and the impact of its funded projects, including through a better integration with the United Nations system activities in East Timor.

107. While part of this perception gap could be rooted in cultural and historical factors related to the role, functioning and capabilities of both parties, which will take a longer time to address as part of the overall ongoing dialogue between the United Nations and the Bretton Woods institutions, the East Timor experience highlights the need to foster better and more integrated working relationship at the field level between both parties. Such efforts, however, should start at Headquarters level through a process aiming to promote better understanding of each others' procedures, constraints and capabilities with regard to project implementation. UNDP could play an important role in this area by organizing, for instance, technical seminars at the expert level between representatives of the United Nations agencies, funds and programmes, and those of the World Bank, to address these issues, and to explore means and ways to increase the opportunities for the involvement of United Nations agencies, funds and programmes in the implementation of World Bank-funded projects in the field, taking stock of successful experiences between the Bank and the United Nations agencies, funds and programmes.[108] **(Recommendation 11)**

108. UNDP should also engage in discussions with the World Bank to develop workable arrangements to be applied in case of crises situations where the Bank decides to intervene, whether through a formula similar to TFET or other major trust funds,

[106] Papers submitted by WHO, East Timor Office, Dili, during Donors' Meeting on East Timor, Oslo, December 2001 on WHO's Contribution to Health Sector Development in East Timor, Work Completed 2000-2001, and Future Plans 2002-2003.

[107] Op. cit., footnote 102 above.

[108] For instance, FAO highlighted its implementation of some World Bank-funded operations for agricultural relief in Rwanda in 1994 and a large-scale three-years project (US$ 18 million) for relief operations in Kosovo, as successful experiences of cooperation with the Bank.

to ensure a role for UNDP in the channeling of funds allocated to finance specific rehabilitation and development activities, especially in sectors where the expertise of the United Nations agencies, funds and programmes should be sought. **(Recommendation 12)**

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